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**LOK SABHA SECRETARIAT
NEW DELHI.**

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N. B.—The sign + above a name of a Member on Questions, which were orally answered, indicates that the Question was actually asked on the floor of the House by that Member.

10585

LOK SABHA

Thursday, 29th August, 1957

*The Lok Sabha met at Eleven
of the Clock*

[MR SPEAKER in the Chair]

ORAL ANSWERS TO QUESTIONS

Class IV Railway Employees

†

*1280. { Shri Shree Narayan Das:
Shri Bhakt Darshan:
Shri Bibhuti Mishra:
Pandit D. N. Tiwary:

Will the Minister of Railways be pleased to state—

(a) whether the committee appointed to review channels of promotion of class IV Railway employees within their own class and to class III have completed its work,

(b) whether a report has been submitted to the Government,

(c) whether the Government after considering the report have formulated their decision, and

(d) if so, the nature of such a decision?

The Deputy Minister of Railways (Shri Shah Nawaz Khan): (a) to (d). The Committee have just started work and have been requested to submit their report as early as possible

Shri Shree Narayan Das: May I know by what time the Committee is expected to submit its report and whether it will take more time or whether any definite date has been fixed?

10586

Shri Shah Nawaz Khan: We have requested the Committee to finalise their report by the 15th November, and we hope that they will be able to do it

Shri Shree Narayan Das: May I know what are the precise terms of reference of this Committee?

Shri Shah Nawaz Khan: The terms of reference of the Committee are to examine the existing channels of promotion for Class IV staff and to determine new channels of promotion for uniform application over all the Indian Railways, to determine the conditions of eligibility and to prescribe the manner in which those eligible should be selected for promotion; to prescribe the training, if any, that should be given to the selected employees before being promoted; and the additional training facilities over and above those existing at present that should be provided

Shri Shree Narayan Das: May I know the number of members of this Committee and whether any non-official is also associated or whether it is purely an official committee?

Shri Shah Nawaz Khan: The Committee consists of nine members including the Chairman. If you like, Sir, I can give the names

Mr. Speaker: Not necessary

Shri Thimmaiah: May I know whether any special consideration is kept in view by the Committee as far as the promotion of the Scheduled Caste employees are concerned?

Mr. Speaker: He wants to know whether there are any special preference or concessions to Scheduled Caste employees

The Minister of Railways (Shri Jagjivan Ram): Reservation has been made for the recruitment of candidates belonging to the Scheduled Castes. The Committee has been appointed generally to examine the possibility of avenues of promotion for the employees of Class IV.

Shri T. B. Vittal Rao: May I know what has been the progress of work of this Committee, how many meetings have been held, whether any evidence has been taken and, if so, from how many labour unions evidence has been taken?

Shri Jagjivan Ram: I cannot exactly say how many meetings have been held. But I know that they had a meeting in Bombay and one in Calcutta. They have drafted a questionnaire. They have seen some labour representatives. As a matter of fact, two members of the Committee itself are labour leaders.

श्री भक्त बर्षान : क्या मैं जान सकता हूँ कि अब तक इस कमेटी ने किन किन स्थानों का दौरा किया है और अपने कार्य में क्या प्रगति की है ? क्या इस का संक्षिप्त विवरण देने की कृपा की जायेगी ?

श्री जगजीवन राम : यह विवरण तो मालूम नहीं है । लेकिन यह मुझे मालूम है कि कमेटी बम्बई गई और कलकत्ते गई और शायद अब उस की मीटिंग दिल्ली में होगी ।

श्री विभूति मिश्र : मैं जानना चाहता हूँ कि क्या सरकार यह भी सोच रही है कि क्लास ३ के वर्मचारियों को क्लास २ में प्रमोशन दिया जाये ?

श्री जगजीवन राम : यह तो माननीय सदस्य को मालूम होना चाहिये कि यह होता है ।

Shri Supakar: May I know when this Committee was appointed?

Shri Shahnawaz Khan: A reference was made to the appointment of this Committee in the recent budget

speech by the hon. Minister on the 14th May, 1957.

किसानों को ख़ाद का संभरण

*१२८१. श्री विभूति मिश्र : क्या खाद तथा कृषि मंत्री यह बताने की कृपा करेंगे कि :

(क) क्या केन्द्रीय सरकार ने विभिन्न राज्य सरकारों को, किसानों को खेतों के लिये ठीक समय पर खाद संभरण की किसी योजना के बारे में हाल ही में कोई निर्देश दिये हैं ; और

(ख) यदि हां, तो उस का ब्योरा क्या है ?

कृषि उद्गमत्री (श्री मो० रे० कृष्णप्पा) :

(क) जी नहीं ।

(ख) प्रश्न ही नहीं होता ।

श्री विभूति मिश्र : सरकार को इस बात की बेचैनी है कि हिन्दुस्तान में खाद सामग्री बढ़े, लेकिन खादर, जो कि इस के लिये बहुत जरूरी है, उस के बांटने की कोई योजना नहीं बनाती । मैं जानना चाहता हूँ कि क्या खादर के बांटने के लिये कोई योजना बनाई जा रही है, ताकि खाद पदार्थ की पैदावार में वृद्धि हो ?

खाद तथा कृषि मंत्र (श्री अ० प्र० जैन) : जी, ऐसी बात नहीं है कि केन्द्रीय सरकार इस में कोई दिलचस्पी नहीं रखती । प्रश्न यह था कि क्या हाल में कोई ऐसे आदेश दिये गये हैं । हाल में तो ऐसे आदेश नहीं दिये गये लेकिन बार बार जब मौका होता है तो हम इस बात के लिये उन से कहते हैं कि किसानों को समय पर खाद मिलनी चाहिये ।

श्री विभूति मिश्र : हर एक जिले में करीब करीब २० या २५ पुलिस स्टेशन होते हैं । मैं जानना चाहता हूँ कि क्या सरकार उन के द्वारा किसानों को खादर बांटवाने का इन्तिजाम करना चाहती है ?

श्री डॉ. प्र० जैन केन्द्रीय सरकार राज्य सरकार को खाद देती है और जहाँ तक बन सकता है समय पर देती है। राज्य सरकार अपनी एजेंसी द्वारा उस को बटवाती है। यही तरीका बरता जाता है और उस के भलावा और कोई प्रबन्ध नहीं हो सकता।

Shri Shivananjappa: May I know whether manure is made available to the ryot at subsidised rates?

श्री डॉ. प्र० जैन इस के ऊपर कोई नफा नहीं कमाया जाता और न इस में कोई नुकसान बरदाश्त किया जाता है।

Shri Shivananjappa: In English

Shri A. P. Jain: It is supplied at no-profit no-loss basis

Shri Yajnik: Is Government aware that very serious complaints have been published in the newspapers about black-marketing being done in these fertilizers and that they are stocked by some stockists in very large quantities while there are other stockists who do not get sufficient quantities after they have paid to the State Government thousands of rupees which remain with them for months together without their receiving the fertilizers in return?

Shri A. P. Jain: There have been occasional complaints of black-marketing in fertilizers, the reason being that the fertilizers are in short supply and the trade sometimes misbehaves. We are trying to take every possible step to see that this sort of malpractices are suppressed. But nonetheless it so happens that they do take place.

Shri Ranga: Is anything being done to bring down the prices in view of the fact that recently they have been raised from thirty to fifty per cent?

Shri M. V. Krishnappa: If there is some decrease in the general price of procurement and of freight, then we can consider. At present the procurement prices in the international market have gone up. The freight rates have also gone up. There was addi-

tional expenditure due to the closure of the Suez Canal and ships had to be diverted. And all this adds to the cost of the fertilizers.

Shri Venkatasubbalah: In view of the complaints that fertilizers are not properly distributed, may I know whether any arrangement is being made to supply the fertilizers through co-operative societies and marketing committees, and, if so, what is the arrangement that Government has made so far?

Shri A. P. Jain: I do not accept that there is a general mal-administration in the supply of fertilizers. And in many of the States fertilizers are being distributed through co-operative societies. In fact we are continuously pressing upon the State Governments the desirability of distributing them through co-operative societies.

Bhutanese Students' Training

*1283. **Shri S. C. Samanta:** Will the Minister of Irrigation and Power be pleased to state

(a) the number of students from Bhutan who have been given facilities by Government for training in River gauge and Rain-gauge observations in India to-date,

(b) whether persons trained in this line are working in the operations for the flood control,

(c) whether there are any conditions imposed on the students who received scholarships for this training from the Government of India, and

(d) whether the Bhutan students are proposed to be trained in any other subjects pertaining to the Ministry of Irrigation and Power?

The Deputy Minister of Irrigation and Power (Shri Hathl): (a) to (d). A statement containing the requisite information is laid on the Table of the Lok Sabha [See Appendix III, annexure No 130]

Shri S. C. Samanta: With reference to the reply to part (d) of the question, may I know whether those students who are trained as Overseers and Wireless Operators are also given stipends; if so, how much, and the period of training also?

Shri Hathi: The overseers and the trainees for wireless operators were being given stipend at the rate of Rs 100 per month. The period of training was about a year in both the cases.

Shri S. C. Samanta: May I know whether any training school is going to be opened in Bhutan by the Bhutaneses themselves and, if so, whether any help has been asked for in that direction?

Shri Hathi: No training school for wireless operators is to be opened in Bhutan. But these trainees are being trained at the Training Centre of the P & T Department at Jubbulpore.

Shri S. C. Samanta: May I know in which institutions these boys are being trained in India?

Shri Hathi: I said it is at the Training Centre of the Posts and Telegraphs Department at Jubbulpore for wireless operators. As regards rain-gauge observation and river-gauge reading it involves only a course of three to four weeks and no school is necessary for the purpose.

Central Godowns

*1285. **Shrimati Tarkeshwari Sinha:** Will the Minister of Food and Agriculture be pleased to state what is the present storage capacity of Central godowns in the country?

The Deputy Minister of Agriculture (Shri M. V. Krishnappa): The present total capacity of Central Government godowns in the country for storage of foodgrains is 8,86,900 tons.

Shrimati Tarkeshwari Sinha: May I know what is the amount of buffer stock that the Government propose to maintain, and how much of that will be stored in the present godowns and

how much expansion Government propose to provide for storage?

Shri M. V. Krishnappa: Government have at present more than about 7 lakh tons of foodgrains. We intend to build up 2 million tons of reserve stock in the country to be kept mostly in the cities and importing centres like Bombay and Calcutta, and when we require more space, we go on procuring from the Port Trusts, Corporations and other private bodies.

Shrimati Tarkeshwari Sinha: What is the quantity of foodgrains damaged during last two years due to inefficient and insufficient capacity of godowns in the country, and how much is the loss in terms of money to the exchequer?

Shri M. V. Krishnappa: Very, very low. It comes to less than 33 per cent. In fact, compared to the world loss, it has been found by our experts that we have the least amount of foodgrain losses due to bad preservation and other things.

Shri R. Ramanathan Chettiar: When will Government implement the scheme to construct more godowns under the Central Warehousing Corporation?

Shri M. V. Krishnappa: The Corporation intends to have about 100 godowns all over the country in places of all India importance. I think very soon a beginning will be made and by the end of the Second Plan period, we hope to complete these 100 godowns.

Dr. Ram Subhag Singh: The idea of having a buffer stock of 2 million tons is there for several years. What is the present quantity of our buffer stock?

The Minister of Food and Agriculture (Shri A. P. Jain): We have about 7 lakh tons at present.

Dr. Sushila Nayar: Is it a fact that an offer was made by the American Government for the construction of warehouses more than a year ago and that it took Government more than a year to decide upon the construction

of the first warehouse? If so, what is the reason for this delay?

Shri M. V. Krishnappa: It was not a question of warehouses; it was a question of some prefabricated construction. There bulk storage was involved. There was some difference of opinion with regard to the silo system. Indian labour opposed the silo system, because there is ample manpower to unload the grain. So Government have to consider this question also.

Shri Punnoose: What is the number of Central godowns in the State of Kerala and the total storage capacity thereof?

Mr. Speaker: The same question came up the other day, where the godowns would be built, why on the sea-side or near the ports, why inside and what number and so on. Shri V. P. Nayar asked the question.

Shri V. P. Nayar: I did not ask.

Mr. Speaker: Some hon. Member asked.

Shrimati Tarkeshwari Sinha: The hon. Minister mentioned the quantity of buffer stock to be maintained as 2 million tons. In view of the very acute foreign exchange position, how far is the import programme of food-grains going to be pruned?

Shri M. V. Krishnappa: According to present programme, we will be having more than a million tons of wheat in buffer stock by the end of this year. We will also be having sufficient quantity of rice in buffer stock.

Railway Service Commission, Calcutta

†

*1286. { **Shri Kodiyar:**
 Shri A. K. Gopalan:

Will the Minister of Railways be pleased to state the number of candidates interviewed and kept on the waiting list for class III appointments by the Railway Service Commission,

Calcutta, for more than one year as on the 1st July, 1957.

The Deputy Minister of Railways (Shri Shahnawaz Khan): Nil. Waiting list is maintained by the Commissions to meet unforeseen requisitions but it is valid for one year only.

Shri Kodiyar: Is it a fact that some of the candidates were interviewed and selected by the Commission in 1956 and since then they have not been given appointment letters? If so, what is the specific reason for the delay?

Mr. Speaker: For one year they are kept on the list?

Shri Shahnawaz Khan: We keep on the waiting list only for one year.

Shri Ranga: You were good enough to supplement the question. What happens thereafter? Do Government strike them off the list or do they provide them jobs?

Shri Shahnawaz Khan: The names of all the people selected are sent to the railways for issuing appointment letters. All the requirements of the railways are filled from this list. To meet any emergent situation, the Railway Service Commission maintain a list of people who may be called, within a period of one year. Some of these people may have been on that list, but at the expiry of that period, their names are struck off.

Shri Ranga: Is there no system by which those people would be informed that their names have been removed from the list after the expiry of six months? Otherwise, they would be waiting for this instead of trying for some other jobs.

The Minister of Railways (Shri Jagjivan Ram): It is usually advertised that there are so many vacancies for panel to be maintained for such and such categories of posts on the railways. By the advertisement itself the candidates who apply know that they are going to be selected for a panel which is maintained for one year. It is open to them to take their

chances for recruitment somewhere else.

Dr. Ram Subhag Singh: What is the basis on which interview letters are issued by the Calcutta Railway Service Commission? Sometimes we find that students who secured first class do not get interview letters whereas those who are only third class get them.

Shri Jagjivan Ram: I would be glad to receive some concrete instances where candidates who have passed matriculation in first division have not been called for interview and those who have passed in third division have been called.

Dr. Ram Subhag Singh: I will do so.

Shri S. M. Banerjee: May I know the total number of class III vacancies existing on the various railways and what percentage of these vacancies shall be filled by promotion from class IV?

Shri Jagjivan Ram: How can we give this information?

Shri S. M. Banerjee: You have mentioned about vacancies.

Shri Jagjivan Ram: One should look to the nature of the question.

Mr. Speaker: It does not arise.

Shri Thimmaiah: May I know whether these candidates who are in the waiting list will be given any preference when they are interviewed again for the same posts by the same Commission?

Shri Jagjivan Ram: I cannot say that they will have any preference; they will have to take their chance with the new applicants.

Shri Kadiyan: Is it a fact that serious allegations of corruption and favouritism in the matter of appointment of these railway employees have been brought against the Commission by several persons? If so, have Government taken action in the matter?

Mr. Speaker: I won't allow this question. Hon. Members will see that the Service Commission is appointed under the Constitution. Any hon. Member can table a motion to impeach or remove them. According to the strict rules provided for, whenever an officer is guilty of anything, that is the only way to deal with him. Incidentally, one cannot put a question here. For getting rid of them, you have to bring charges and place them before this House and the other House adopting the procedure outlined in the Constitution for the removal of the Auditor-General or Public Services Commission.

Dr. Ram Subhag Singh: That is with regard to the Union Public Service Commission, not this one (*Interruptions*).

Some hon. Members: It is the Railway Services Commission.

Mr. Speaker: Anyhow, that does not arise out of this question.

Shri V. P. Nayar: That is different. But to say that there is a constitutional protection here is something we do not understand.

Mr. Speaker: I thought it was the Union Public Services Commission. I shall look into all the points with regard to the Railway Services Commission, but for the present this question does not arise.

Shri V. P. Nayar: This question related only to the fact whether Government had received complaints?

Mr. Speaker: I cannot go into that matter at all. Even if there is one complaint, there is somebody offended. Hon. Members while asking questions will look into it and see whether it is possible to allow. It cannot be done incidentally like this on one complaint; if there is a series of complaints, hon. Members will have recourse to the law. It is a natural corollary.

Shri V. P. Nayar: It is not a natural corollary.

Auxiliary Mid-wives

*1287. Dr. Ram Subhag Singh: Will the Minister of Health be pleased to state:

(a) whether there is any proposal to train auxiliary mid-wives at Prayag Mahila Vidyapith for the community development programme;

(b) if so, whether Government have considered the proposal and accorded their sanction for the same; and

(c) the cost involved in undertaking the training programme there?

The Minister of Health (Shri Kar-markar): (a) Yes.

(b) Yes. The Government of India have sanctioned a sum of Rs. 14,500 as the first instalment of the grant-in-aid to the institution for implementation of the scheme during 1957-58.

(c) Rs. 75,800.

Air Services to Tripura

*1288. Shri Bangshi Thakur: Will the Minister of Transport and Communications be pleased to state:

(a) whether Government are aware that the cost of freight and passengers rates in air services have increased beyond economical means of the public of Tripura;

(b) whether the frequencies of scheduled and non-scheduled Freighter air-craft to Tripura have been reduced to less than half of pre-nationalised frequencies; and

(c) whether Government will consider restoring air-communications to Tripura on pre-nationalisation rates of Tariff, frequencies and open commercial basis?

The Minister of State in the Ministry of Transport and Communications (Shri Humayun Kabir): (a) No, Sir.

(b) No, Sir.

(c) The question does not arise, as Indian Airlines Corporation is provid-

ing adequate air communications to Tripura at rates which are substantially the same as the pre-nationalisation rates.

Shri Bangshi Thakur: Is it a fact that the freight charged per lb. was 5 to 7 ps. before nationalisation whereas after nationalisation it has been doubled, that is, to 14 ps. per lb?

Shri Humayun Kabir: With regard to the first question, the freight charges were 0-3-9 before nationalisation and it is the same even today on the scheduled passenger services.

Shri Bangshi Thakur: May I know whether it is a fact that after nationalisation the frequency of the services was reduced so as to cause inconvenience to the people of Tripura?

Shri Humayun Kabir: Again, I have to say, 'No', because there were I find 21 services a week between Calcutta and Agartala before nationalisation and there are 21 services even today.

Shri Biren Roy: What is the basis of arriving at the cost per mile for passenger fare and for freight in India?

Shri Humayun Kabir: That hardly arises out of this question, but I will give the answer. It was fixed originally when the Air Transport Licensing Board was set up. They had fixed certain rates and made certain recommendations. With certain adjustments, the same rates are still obtaining. Very recently, the Air Transport Council went into the question and made recommendations for a more rational basis for air passenger and freight rates for the different airlines of India.

Shri Bangshi Thakur: Is it a fact that more than 60 per cent of the total revenue of the I.A.C. are coming from that sector, that is, Manipur Tripura, Assam and N.E.F.A. etc.?

Shri Humayun Kabir: I will not vouch for the exact figure but I agree that a very large proportion of the revenues of the I.A.C. comes from that section.

Central Flood Control Board

*1239. **Shri Sanganna:** Will the Minister of Irrigation and Power be pleased to state:

(a) whether the River Commissions have made any recommendations to the Central Flood Control Board for the demarcation of zones;

(b) whether the Central Flood Control Board has approved these recommendations and made any recommendations to Government; and

(c) if so, the reaction of the Government to it?

The Deputy Minister of Irrigation and Power (Shri Hathi): (a) Yes, Sir.

(b) and (c). A statement containing the requisite information is laid on the Table of the Lok Sabha. [see Appendix III, annexure No. 131.]

Shri Sanganna: May I know why there was no separate Flood Control Board for the Mahanadi system of rivers?

Shri Hathi: There is no separate Board for each river. There are boards for each State and the Orissa State has a State Flood Control Board.

Shri Sanganna: May I know when the Naraj and the Tikrapada projects formed part of the Mahanadi Flood Control scheme and why these schemes have not been taken up in the near future?

Shri Hathi: These flood control schemes are prepared by the State Flood Control Boards and submitted to the Central Flood Control Board. These schemes have not yet been received by the Central Flood Control Board.

Shrimati Tarkeshwari Sinha: May I know whether the attention of Government has been drawn to the statement made by Mr. Mehta, Flood Control Engineer that all these bunds and dams are the causes of floods in the country? In view of that statement may I know whether any com-

prehensive and co-ordinated policy of scientific control of the rivers has been evolved?

Shri Hathi: It is not exactly the bunds and the dams cause this but it is really trespassing on the river beds by artificial construction such as bridges and by buildings and that is why the Central Flood Control Board has thought of demarcating flood zones—the areas of river beds in which construction should not be permitted.

Shri Sanganna: Very recently there was a meeting of the State Chief Ministers and the representatives of the Government of India. May I know what are the matters discussed at that meeting?

Shri Hathi: This meeting was of the Central Flood Control Board where all the Ministers in charge and the Chief Ministers of the States having charge of flood control met. The agenda was a big agenda with about 15 to 20 items which were taken up.

Shrimati Tarkeshwari Sinha: In view of the statement by the hon. Minister that there is a programme for seeing that there should be no construction and other things in river beds, what is the machinery that will help in evolving this policy with the State Governments because so far as constructions are concerned it is the total responsibility of the State Governments?

Shri Hathi: This point was considered at the meeting of the Central Flood Control Board where the Ministers of the different States were present and it was accepted by the States present there. It was really suggested that legislation will have to be passed and that will be done by the State Governments.

Dr. Sushila Nayar: In view of the fact that during the last severe floods in the Punjab some of the roads had to be cut to make the flood waters flow and some of the railway lines were also in the way of the flood waters and this led to severe damage

by increasing the intensity of the floods, may I know what the Government of India is doing to co-ordinate the work of the various Ministries so that such things are not done in future and adequate remedies can be taken for whatever has already been wrongly constructed?

Shri Hathi: There is a Committee for the Rail and Road bridges which includes the representatives of the Transport Ministry and the representatives of the Railway Ministry and the Central Water and Power Commission. They discuss all these questions relating to the roads and bridges which hinder the movement of the rivers.

Dr. Sushila Nayar: May I know if the Government has made any survey to determine which are those roads and railways are interfering with the natural flow of water and increasing the floods so that the public may be spared the ravages of the floods in these regions through preventive remedial action?

Shri Hathi: The function of the committee is to look into that question and that is being done.

Electricity for Lift Irrigation

*1290. **Shri Venkatasubbaiah:** Will the Minister of Irrigation and Power be pleased to state:

(a) the extent of land cultivated under lift irrigation in various States; and

(b) the steps Government propose to take to supply electricity to the lift irrigated areas to have more production with less cost?

The Deputy Minister of Irrigation and Power (Shri Hathi): (a) and (b). The information is being collected and will be laid on the Table of Lok Sabha.

Shri Venkatasubbaiah: In view of the fact that a large number of areas are being brought under irrigation in the Andhra and for that electricity is needed, may I know whether any definite allotments have been made

under the Second Five Year Plan to the Andhra Government to go on with the rural electrification scheme in Andhra?

Mr. Speaker: Why was not that question put specifically instead of putting a supplementary?

Dr. Ram Subhag Singh: The answer to part (b) is that information has to be collected. Where is the necessity for collection of facts? The information asked for is the steps Government propose to take to supply electricity to the lift irrigated areas to have more production with less cost. Here, there is no necessity of asking for information from the States.

Mr. Speaker: That is in general. It is the steps that are being taken wherever lift irrigation is possible. That is a category by itself.

Dr. Ram Subhag Singh: You may be recollecting that a few days ago in Punjab and some other parts of the country power is not being supplied to the lift irrigated area. May I know whether any step has been taken to see that the power is supplied easily in the lift irrigated areas?

Shri Hathi: I may submit that this question really falls within the purview of the State Governments. Part (a) of the question relates to the extent of land cultivated under lift irrigation. Naturally, that information the Central Government has not got. It has to be obtained from the State Governments. With regard to the second part also it is the State Governments who supply electricity to the lift irrigated areas. That is also a function of the State Governments and information has to be collected as to what steps the State Governments are taking.

Dr. Ram Subhag Singh: May I know whether Government considered the supply of electricity at a cheaper rate than at the present rate?

Shri Hathi: The tariff for different purposes has been fixed. Concessions are being given for agricultural purposes.

Shri Nagi Reddy: May I know whether the Government proposes to carry electricity through wooden poles instead of iron poles so as to supply electricity at a lesser cost to the people?

Shri Hathi: That is a question under the consideration of the Ministry and this has been discussed at the last Seminar of Power Engineers

Shri Nagi Reddy: What was the decision taken?

Shri Hathi: They have thought that it could be done provided the bamboos are chemically treated and that experiment is going on.

Shri Nagi Reddy: After the experiment has been made, is any step being taken regarding that?

Shri Hathi: They are only taking up the experiments

Shri T. K. Chaudhuri: In reply to part (a) of the question the hon. Minister said that the information with regard to the extent of land cultivated under lift irrigation in various States is being collected from the States. May I know whether the central Ministry of Irrigation and Power has no idea as to the extent of total land under lift irrigation?

Shri Hathi: No, we have not got the figures of area of land under lift irrigation. We have the figures of area of land under irrigation as a whole, and not the breakup of lift irrigation and flow irrigation.

Shri B. S. Murthy: May I know ...

Mr. Speaker: We will go to the next question. Any number of supplementaries can be put on any question

Shri B. S. Murthy: This is a very important question.

Mr. Speaker: Then why did the hon. Member not put a question himself? Hon. Members find importance in questions that others have brought before the House. I have noticed that the hon. Member does not put a

single question by himself. What is the good of this?

Shri B. S. Murthy: May I point out, Sir, that there are hundreds of questions in my name? I am very sorry to say that the remark is not warranted, because my questions are there if only you kindly refer to them.

Shri Bimal Ghose: We ask supplementaries that arise out of the questions that have been tabled.

Mr. Speaker: I am equally interested in this hon. Member as in other hon. Members. What I notice is hon. Members do not themselves table questions which they consider important. Whenever they find that a particular subject is important, let them table a question and thereby clinch the issue. Of course, I find a few questions tabled by Shri Murthy. But he puts a lot of supplementaries not equal to the number of questions tabled by himself. Why does not he table an equal number of questions? When a Member puts the main question I always give him a few more supplementaries than when he merely intervenes on questions by others. I feel that Shri Murthy is anxious to get many things done for his State, but this is not the way. Has he any supplementary to be put on this question?

Shri B. S. Murthy: I thank you for this compliment, Sir, I shall not put any supplementary to this question

Loan from U.S.A.

*1292. **Shri Wodeyar:** Will the Minister of Railways be pleased to state:

(a) whether it is a fact that the Government of U.S.A. has decided to give a loan to the Government of India for the construction of new railway lines in the under developed areas of the country;

(b) if so, what is the amount set apart for the purpose; and

(c) what are the areas proposed to be chosen for the construction of new lines, State-wise?

The Deputy Minister of Railways (Shri Shah Nawaz Khan): (a) No.

(b) and (c). Do not arise.

Shri Wodeyar: In view of the backwardness of the hilly regions of the west coast and dearth of railway lines in that area, will the Government undertake the construction of Mangalore-Bombay, Mangalore-Hassan, Telicherry-Mysore railway lines which have already been surveyed?

The Minister of Railways (Shri Jagjivan Ram): How does it arise out of this question

Mr. Speaker: How does Mangalore-Hassan railway line come under U.S.A.? The hon Member may think about it and put it in a proper form, I will give him time.

Shri Feroze Gandhi: May I know if there is any proposal to have a new line between Rourkela and Visakhapatnam, and if so, under what scheme is that line being built?

Mr. Speaker: It comes under part (c) of the question. Hon Member, Shri Wodeyar also wanted to know what are the new lines chosen

Shri Feroze Gandhi: I want to know whether this particular line is being undertaken.

Shri Shah Nawaz Khan: There is at present a proposal under the President of U.S.A. Fund to construct a railway line connecting Rourkela mining area with Visakhapatnam with the object of exporting about 2 million tons of iron ore to Japan.

Shri Feroze Gandhi: The hon. Minister declared that this particular line will be built out of the President's Fund. What is the nature of it? Is it a gift or a loan?

Shri Jagjivan Ram: It is in a very preliminary stage. Perhaps the hon. Member may be aware that nearly 100 million dollars have been set apart under the American President's fund for the economic development of Asia. This possibility of construction of a

new railway line in that area is under examination, and it cannot be said firmly that that will be undertaken under that fund

Shri C. D. Pande: Now that we are getting a little more fund, may I know whether the Government will maintain the priorities for construction of lines which were already sanctioned and surveyed but were abandoned because of shortage of funds, so that the lines already surveyed may be completed?

Shri Jagjivan Ram: Perhaps the hon Member forgets that we are not getting more funds, we are only getting some funds to tide over the foreign exchange difficulties. Even if we get some additional allotment, we should not forget that the prices and labour charges have increased since the Plan was framed originally

Shri Wodeyar: May I know whether any suggestions and recommendations from the State Governments in this matter have been received about under-developed areas?

Shri Jagjivan Ram: When the Second Five Year Plan was being framed, recommendations and suggestions were invited from the State Governments. They were received and were also considered. Priorities were fixed taking into consideration the financial resources at the disposal of the Planning Commission.

Shri Dasappa: Is it not a fact that the Mission which came over here to assess the requirements of India in regard to railway development under the Second Plan are of opinion that there is need for construction of more railway lines in order to move the heavier traffic that will be there as a result of the Second Five Year Plan?

Shri Jagjivan Ram: That does not require any technical Mission, we ourselves are of the opinion that there is necessity, for more railway lines in the country.

Shri Dasappa: In view of the success of the Mission that went over to

America, is there not a possibility of its being followed up by a second loan from America?

Shri Jagjivan Ram: As I have said, that is to tide over the foreign exchange difficulty, that does not increase our resources

Shri Ranga: May I know whether this proposed investigation in regard to the construction of a line from Rourkela to Visakhapatnam, if and when it is found to be feasible and necessary, would be in addition to other priorities that have already been decided upon for construction of new lines? What would be the distance of this new line? These questions arise out of the supplementary put by Shri C D Pande

Shri Jagjivan Ram. Investigations are being made in that area of Rourkela and also the Visakhapatnam area to see whether we should go to Visakhapatnam or a new port should be developed. That will be in addition to what has been provided in the Second Plan

Shri Yajnik: May I know whether it is a gift or a loan?

Shri Jagjivan Ram: It is a loan

Shri R. Ramanathan Chettiar: May I know whether this loan from the President of the United States is quite different from the loans which the Railways are going to get from World Bank?

Shri Jagjivan Ram. Obviously, the World Bank and the President are two different entities

Some hon Members rose—

Mr. Speaker. We will go to the next question. All hon Members need not concentrate upon one question, they can distribute themselves

Central Health Services

*1294. **Pandit D. N. Tiwary:** Will the Minister of Health be pleased to state whether the question of amalgamating the Railway Medical Services and other Civil Medical Ser-

vices under the Central Health Services has ever been considered?

The Minister of Health (Shri Karmarkar): The question was considered but in view of the special conditions attaching to the Railway Medical Service it was decided to exclude it from the purview of the Central Health Service

Pandit D. N. Tiwary: May I know whether the extra cost was considered, what will be the extra amount involved in creating a separate Railway Health Service, and what would be the saving if it is amalgamated with the Central Health Service?

Shri Karmarkar: The question was considered principally from the point of view of integration. There was no question of any very stupendous additional expenditure because the Railway Ministry sought to keep its officers for the Railway Administration. There were certain difficulties connected with the transfer of railway medical personnel to the Central Service, and after discussion and understanding regarding certain matters like qualification and the rest, we agreed that the Railway Service personnel, so far as medical personnel is concerned, should be out of the scheme

Pandit D. N. Tiwary: May I know whether the civil side of the military services was ever considered to be amalgamated in the Central Health Services?

Shri Karmarkar: Civil side of the military services? I am not able to understand

Pandit D. N. Tiwary: I will just explain. There are three health services operating in India. One is the Railway Health Service, another is the Central Health Services and the third is the Military Service

Shri Karmarkar: Defence Service

Pandit D. N. Tiwary: Yes, Defence Service. In Defence, there are two sides. One is military personnel and the other is the civil personnel. May I

know whether the Government have ever considered that the civil side of the defence services should be amalgamated with the Central Health Services or not?

Shri Karmarkar: So far as the defence services are concerned, we have also agreed to keep them out of the Central Health Services

Mr. Speaker: Shri D C Sharma

Shri Raghunath Singh: I request that Question No 1308 may also be taken along with Question No 1295

Mr. Speaker: Yes.

D.T.S. Fare

*1295. **Shri D. C. Sharma:** Will the Minister of Transport and Communications be pleased to state

(a) whether it is a fact that children between 3 and 12 years of age are being charged full rate of fare in the Delhi Transport Service buses, and

(b) if so, the reasons therefor?

The Minister of State in the Ministry of Transport and Communications (Shri Humayun Kabir): (a) Yes, Sir

(b) Although operational costs have gone up considerably, the fare structure has remained unchanged since the nationalisation of the Delhi Transport Service in 1948. In addition, the Delhi Road Transport Authority has provided a number of concessions to the travelling public, such as monthly concession tickets for students as well as the general public and special services for Displaced Persons' Colonies at reduced rates. Now that the financial position of the Authority has improved and substantial additions to its fleet have been made, the question of granting half-ticket concession to children will also be considered sympathetically

D.T.S. Buses

*1308 **Shri Karni Singhji:** Will the Minister of Transport and Communications be pleased to state:

(a) whether he is aware that unhygienic conditions are created by

the profuse exhaust smokes omitted by Delhi Transport Service Buses plying on the roads as most of them are not properly maintained; and

(b) if so, whether necessary steps will be taken in this behalf?

The Minister of State in the Ministry of Transport and Communications (Shri Humayun Kabir): (a) and (b). Occasionally some buses of the Delhi Road Transport Authority do emit excessive smoke, but they are withdrawn from service as soon as replacements are available and steps are taken to remove the defect with the help of special equipment which has been acquired for the proper maintenance and repair of the fuel injection system of diesel buses. The number of such buses of the Delhi Road Transport Authority however, is too small to affect the hygienic conditions of the city

Mr Speaker: They have nothing in common. The hon. Member ought not to have made the suggestion. Only they relate to the DTS

Shri Karni Singhji: May I know whether—

Mr. Speaker: I shall call Shri Karni Singhji in his own turn. He can wait

Shri D. C. Sharma: May I know when this committee will be appointed to rationalise the fare structure in the DTS?

Shri Humayun Kabir: I did not refer to any committee. I have said that as soon as the financial position has improved, and as soon as the additions to the fleet have been made, this will be done. I can add for the Member's information that we expect that the fleet will be complete before the end of this calendar year, and then the question will be taken up

Shri D. C. Sharma: What are the—

Mr. Speaker: It is not necessary to allow further questions. The Minister is considering the question of concessions.

Shri D. C. Sharma: It is a very important question, Sir. May I know what are the reasons for the deterioration in the financial position of the D.T.S. and how those reasons have been overcome so that the financial position may be improved?

Mr. Speaker: It does not arise out of this question. I am not going to allow further questions on this. There are a number of questions to be answered. If the Minister says he will give concessions or that they are trying to provide for concessions, and they have improved, the hon. Member perhaps wants to ask "How have you improved?" The hon. Member evidently wants no concessions to be given.

The Minister of Transport and Communications (Shri Lal Bahadur Shastri): He will not be able to avail himself of that concession in spite of his short size.

Mr. Speaker: Those comments may be avoided.

Inter-State Water Dispute Act, 1956

*1296. **Shri Supakar:** Will the Minister of Irrigation and Power be pleased to state:

(a) whether any inter-State dispute regarding river water has arisen since the passing of the Inter-State Water Dispute Act, 1956; and

(b) if so, the number of such disputes and the action taken thereon?

The Deputy Minister of Irrigation and Power (Shri Hathi): (a) No, Sir.

(b) Does not arise.

पटन. स्टेशन पर रेलगाड़ी को रोक रखना

*१२९६. श्री भब: दर्ज: क्या रेलवे मंत्री यह बताने की कृपा करेंगे कि :

(क) क्या यह सच है कि अभी हाल में पटना स्टेशन पर एक फौजी अफसर की हठधर्मी के कारण एक एक्सप्रेस गाड़ी को लगभग टेढ़ घंटे तक रुके रहना पड़ा

(ख) यदि हां, तो इस घटना के वास्तविक तथ्य क्या हैं ;

(ग) इस सम्बन्ध में अब तक क्या कार्यवाही की गई है ; और

(घ) भविष्य में ऐसी घटनाओं की रोकथाम करने तथा यात्रियों को व्यर्थ कम परेशानी से बचाने के लिये कौन से कदम उठाये जा रहे हैं ?

रेलवे डायरेक्टर (श्री शाहनवाज खां):
(क) और (ख). ३०-६-५७ को पटना जंक्शन पर, जब २०२ इन्फैंट्री ब्रिगेड के कमांडर ब्रिगेडियर मोघे, जिन के पास वातानुकूलित बर्जे (Air Conditioned) का टिकट था, ७४ डाउन अमृतसर-हावड़ा मेल में चढ़ने वाले थे कि एक जेब कतरे ने उन की जांच में चोट पहुंचा दी। ब्रिगेडियर इस बात पर प्रह्वित हुए कि इलाज के लिये मिलिटरी का डाक्टर बुलाया जाय। इस वजह से गाड़ी ६१ मिनट रुकी रही।

(ग) और (घ) इस मामले की रिपोर्ट एम्बार्केशन हेडक्वार्टर्स (Embarkation Headquarters) में कर दी गई है और इस के बारे में रक्षा मंत्रालय (Defence Ministry) को भी लिखा गया है।

Some Hon. Members: English answer may also be given:

Mr. Speaker: Yes.

Shri Shah Nawaz Khan: (a) and (b). On 30-6-1957, while Brigadier Moghe, Commander, 202 Infantry Brigade, holding an air conditioned ticket was about to entrain 74 Down Amritsar-Howrah Mail at Patna Junction, he was injured on the thigh by a pick-pocket. The insistence of the Brigadier to have a Military Doctor to attend on him caused the train to be detained 91 minutes.

(c) and (d). The matter has been reported to Embarkation Headquarters and is also under reference to the Ministry of Defence.

श्री भक्त बर्षन क्या में जान सकता है कि फौजी अधिकारियों द्वारा यह घटना अपने डग की पहली है, या इस तरह की घटनाएँ पहले भी रेलवे मंत्रालय के ध्यान में आ चुकी हैं ?

श्री शाहनवाज खाँ : इस किस्म की और कोई घटना अब तक हमारी नोटिस में नहीं आई ।

श्री भक्त बर्षन : क्या में जान सकता है कि रक्षा मंत्रालय ने रेलवे मंत्रालय के पत्रों का क्या उत्तर दिया है, और उन से क्या माग की गई है कि किस तरह का दंड उस अधिकारी को दिया जाय ?

श्री शाहनवाज खाँ : अभी तो डिफेंस मिनिस्ट्री से खत व किताबत चल रही है ।

श्री भक्त बर्षन : मैं यह जानना चाहता था कि उन से क्या माग की गई है कि उस अधिकारी को चेतावनी दी जाय या किसी और तरह का दंड दिया जाय ?

रेलवे मंत्री (श्री जगजीवन राम) : माग तो यह स्वाभाविक है कि डिफेंस मिनिस्ट्री को लिखा गया है कि ऐसी ऐसी घटना हो गई है और डिफेंस मिनिस्ट्री को इस में कुछ मुनासिब कार्रवाई करनी चाहिये ।

Pandit K. C. Sharma: What was the kind of insistence? Was it at the point of pistol that he detained the train?

Shri Jagjivan Ram: It was a simple injury, made by a blade

Pandit K. C. Sharma: No, no My point was, whether the insistence was only a request or whether the officer took out a pistol and asked the driver to stop the train. How could he stop the train?

Shri Jagjivan Ram: It was not at the point of pistol, but sometimes even requests are more effective than pistols

Mr. Speaker: Next question

Shri Ranga: Sir, they have not given an answer to part (d) of the question, the steps to be taken to avoid the recurrence of such things. One man holds up a train for 90 minutes and those people are helpless

Mr. Speaker: What are the steps that the hon Member suggests?

Shri Ranga: They must be having some legislative powers. Already, even now, the railway staff must be having power to take charge of such situations, prevent such obstructions and keep the man away and let the train go

Shri Jagjivan Ram: That power is already there

Shri Ranga: I want to know whether those powers were exercised? What do they propose to do?

Shri Jagjivan Ram: That power is already there. The power of prosecution is also there. The hon Member will see that the answer given is this "The matter has been reported to Embarkation Headquarters and is also under reference to the Ministry of Defence"

Shri Yagnik: Why should the train be held up?

Mr. Speaker: Ask those people I am concerned with pushing through as many questions as possible

Shri Ranga: The other trains—

Mr. Speaker: That train must go on, though other trains might have been stopped. It is a small affair. Somebody abuses his position. Even at the best of situations, what shall we do? Shall we hang him? Somebody, who is in a responsible position has abused his position, he ought not to have done so. It might be a blade or knife with which the pickpocketing might have been done. It is a small incident. What would the poor people, the guard and the station master, do? Hereafter, they will be given instruc-

tions. No special legislative measure is necessary. If only the guard, the driver and the station master had consented, they would have drawn the train even over this man. It is a matter which depends upon the presence of mind of those people. An important person comes in and steps the train. I have received various complaints that some hon. Members also hold up trains. I tell them, it is not right. Sometimes such things do occur. What is the good of spending a lot of time over this? Even if I do not allow a supplementary question, they go on asking about it.

पर्यटन का केन्द्र सनासर

*१२६६. श्री रघुनाथ सिंह : क्या परिवहन तथा संचार मंत्री यह बताने की कृपा करेंगे कि :

(क) क्या यह सच है कि जम्मू राज्य में ७००० फुट की ऊंचाई पर सनासर नामक एक अत्यन्त दर्शनीय स्थान पाया गया है जो पर्यटकों के आकर्षण के लिये एक आदर्श स्थान सिद्ध होगा ; और

(ख) यदि हां, तो क्या सरकार को उसे पर्यटन का एक लोकप्रिय और आकर्षक स्थान बनाने का विचार है ?

परिवहन तथा संचार मंत्रालय में राय-मंत्री (श्री हुमायूँ कबोर) : (क) और (ख), भारत सरकार की नजर में यह बात अभी हाल में आई है कि "सनासर" में पर्यटक काफी तादाद में जा सकते हैं। राज्य सरकार से इस बात के लिये कहा गया है कि दूसरी पंचवर्षीय योजना में इसे पर्यटक केन्द्र बनाने के बारे में सोचे। ऐसी हालत में इस योजना के लिये सेंट्रल गवर्नमेंट से माली मदद (Financial Assistance) मिल सकती है।

Some Hon. Members: We want the English answer.

Shri Humaynn Kabir: (a) and (b). The tourist potentialities of Sanasar

came to the notice of the Government of India only very recently. The State Government is being requested to consider its inclusion in the Second Five Year Plan. In such an event the scheme will become eligible for financial assistance from the Central Government.

Shri C. D. Pande: In view of the fact that there is a good deal of tourist traffic in Kashmir and Jammu, in view of the fact that in the Central Himalayas there are more suitable spots than what has been discovered.

Mr. Speaker: Is it necessary to have a discussion over Kashmir?

Shri C. D. Pande: Will Government give more consideration to other hill stations which are equally beautiful?

Shri Humayun Kabir: So far as the expression of opinion is concerned, I offer no comments. So far as the suggestion is concerned, Government will treat all hill stations equally.

श्री रघुनाथ सिंह : यहाँ पर जाने के लिये जो रोड है उस का कुछ इम्प्रूवमेंट होगा ?

श्री हुमायूँ कबोर : अभी जो रोड है उस पर मोटर जा सकती है, इमालिये कोई ज्यादा इम्प्रूवमेंट का सवाल नहीं है। शायद कुछ थोड़ा काम करना होगा।

श्री भवन वंशन : क्या यह सत्य है कि यह जो अभी हाल ही में सनासर की तरफ गवर्नमेंट का ध्यान गया है यह सामुदायिक विकास मंत्री श्री डे के वक्तव्य के बाद गया है और क्या दूसरे सारे हिल स्टेशनों का निरीक्षण करने के बाद यह राय कायम की गई है कि सनासर सर्वोत्तम स्थान है या कि वेने ही वे वहाँ गये और मोहित हो गये, इसीलिये यह कहा जा रहा है ?

श्री हुमायूँ कबोर : सर्वोत्तम है या नहीं यह तो ओपीनियन का सवाल है। उन की राय ऐसी है। अगर धानरेबन

मेम्बर की दूसरी राय है तो वह उसे जाहिर कर सकते हैं ।

Hotel Training School

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*1302. { Shri Hem Raj:
Shri Daljit Singh:

Will the Minister of **Transport and Communications** be pleased to state:

(a) the main features of the scheme of John Fuller for the establishment of the Hotel Training School;

(b) whether it has been accepted; and

(c) if so, the action proposed to be taken thereon?

The Minister of State in the Ministry of Transport and Communications (Shri Humayun Kabir): (a) A statement is laid on the Table of the Lok Sabha. [See Appendix III, annexure No. 132].

(b) and (c). The matter is still under examination.

Shri Hem Raj: May I know by what time a decision will be arrived at?

Shri Humayun Kabir: It is difficult to give any specific time, but we are hoping that something may be done by 1958-59.

Shri Hem Raj: What is the expenditure that was incurred over this?

Shri Humayun Kabir: A small amount of Rs. 15,000 was provided in the budget for 1956-57.

श्री भूष : दर्शन : क्या मैं जान सकता हूँ कि यह जो होटल ट्रेनिंग स्कूल खोला जा रहा है इस में केवल ऐसे होटलों में काम करने वालों को ही प्रशिक्षण दिया जायेगा जैसेकि जनपथ और अशोक होटल, या कि साधारण होटलों में काम करने वालों को प्रशिक्षण देने के लिये भी इस का उपयोग किया जायेगा ?

श्री हुमायूँ कबीर : यह सेंटर तो उन लोगों को ट्रेनिंग देने के लिये खोला जा रहा है जो उन ही होटलों में काम करेंगे जहाँ कि बाहर से टूरिस्ट आते हैं ।

श्री हेमराज : जो होटल हिन्दुस्तानी मैरियों के वास्ते हैं क्या उन में काम करने वालों को भी ट्रेनिंग देने के लिये कोई कालिज खोला जायेगा ?

श्री हुमायूँ कबीर : इस सेंटर में ऊँचे दर्जे के होटलों में काम करने वालों को ट्रेनिंग दी जायेगी । उम्मीद है कि जो हिन्दुस्तान के सैर करने वाले हैं उन के लिये भी अच्छे होटल होंगे ।

Ex-Saurashtra Railway Corruption Case

*1303. Shri T. B. Vittal Rao: Will the Minister of Railways be pleased to refer to the reply given to Starred Question No. 684 on the 6th August, 1957 and state:

(a) whether Government propose to launch prosecution proceedings against the three Officers of ex-Saurashtra Railway involved in the embezzlement of Rs. 13 lakhs, who have since been dismissed from service; and

(b) if not, the reasons therefor?

The Deputy Minister of Railways (Shri Shahnawaz Khan): (a). Yes.

(b) Does not arise.

Shri T. B. Vittal Rao: May I know when this prosecution will be launched, because the case is already seven years old?

Shri Shahnawaz Khan: The disciplinary action against these officers was taken by the Railway Ministry on the 26th July and they were dismissed from service. Thereafter, the S.P.E. were informed that the railways would have no objection to the officers being prosecuted. The next steps is to be taken by the S.P.E. in consultation with the Home Ministry.

Shri T. B. Vittal Rao: May I know if the Railways Ministry will have nothing to do with it and if the whole case has been passed on to the Home Ministry?

The Minister of Railways (Shri Jagjivan Ram): The actual prosecution is done by the Home Ministry and not by the Railway Ministry.

Volunteers for Postal Services

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*1304. { **Shri B. C. Mullick:**
Shri M. D. Mathur:
Shri Supakar:

Will the Minister of Transport and Communications be pleased to state:

(a) the number of volunteers who were trained to take over the postal work throughout India, in the event of the Post and Telegraph strike; and

(b) the total amount spent on training?

The Minister of State in the Ministry of Transport and Communications (Shri Humayun Kabir): (a) and (b). The information is being collected and will be placed on the Table of Lok Sabha.

Shri S. M. Banerjee: May I know whether these volunteers are being awarded good conduct certificates for volunteering to save the country from the strike?

Shri Humayun Kabir: This question does not arise.

Mr. Speaker: It is a suggestion for action. The question is, have any certifications been given for having undergone the training, so that whenever it is necessary, these certificates may be useful?

Shri Humayun Kabir: As I have said, the information is being collected.

Shri Supakar: What percentage of these volunteers came from the Defence department and what percentage came from the State and Central Ministries?

Shri Humayun Kabir: As I have said, the information is being collected, because these people volunteered at different centres. They did not volunteer here in Delhi. It will take some time to get the necessary information.

Mr. Speaker: Next question.

Shri Supakar: I wanted to know what percentage of volunteers came from the State and Central Ministries.

Piece-Rate Wage System in Dockyards

*1305. **Shri S. M. Banerjee:** Will the Minister of Transport and Communications be pleased to state:

(a) whether piece-rate wage system has been introduced in the dockyards; and

(b) whether this has been done in agreement with the Labour Unions?

The Minister of State in the Ministry of Transport and Communications (Shri Humayun Kabir): (a) and (b). A piece-rate scheme based on an Award of the Labour Appellate Tribunal is in force in the port of Bombay since the 3rd March, 1956. It has been agreed with labour unions that similar schemes should be introduced in the ports of Calcutta, Madras, Cochin and Visakhapatnam. At each of these ports the scheme is to be evolved by a Committee consisting of an equal number of representatives of labour and of employers and presided over by Shri Jeejeebhoy who was the Chairman of the Labour Appellate Tribunal which gave the Bombay award. The Committee for Calcutta has submitted its report and the scheme is expected to be introduced there shortly.

Shri S. M. Banerjee: May I know whether these piece-rates have been fixed after a proper time and motion study, keeping in view that every worker gets 25 per cent more than the basic wage?

Shri Hanuman Kabir: We find from the norm which has been set that if that quantum of work is done by the worker, he will get, I believe, more than what he was earning before. In Bombay, the basic gang worker used to get Rs. 96 per month on an average before the introduction of this piece-rate system; he is now earning about Rs. 200 per month.

Mr. Speaker: The Question Hour is over.

WRITTEN ANSWERS TO QUESTIONS

F.A.O. Report on Dairying

*1282. **Shri Bahadur Singh:** Will the Minister of Food and Agriculture be pleased to state:

(a) whether a report has been submitted on Dairying (Milk Supply) by the Food and Agriculture Organisation Team of experts who visited India last year;

(b) whether an assistance of about \$0.5 million from U.S.A., Australia, New Zealand, Netherlands and Canada, has been accepted as a result of this report;

(c) the forms and modes through which the assistance will be provided by these countries; and

(d) the milk supply projects for which this assistance will be used?

The Minister of Food and Agriculture (Shri A. P. Jain): (a) Yes.

(b) Assistance to the value of Rs. 36.5 lakhs has been accepted from these countries.

(c) Supply of dairy equipment Rs. 20.0 lakhs

Supply of milk powder at a concessional price Rs. 12.2 lakhs

Services of technical experts Rs. 3.3 lakhs

Free supply of skim milk powder Rs. 0.3 lakhs
Grant in cash Rs. 0.7 lakhs
Rs. 36.5 lakhs

(d) (i) Greater Calcutta Milk Scheme.

(ii) Madras Milk Scheme.

Milk Powder Factories

*1284. **Shri Jhulan Sinha:** Will the Minister of Food and Agriculture be pleased to refer to the reply given to Starred Question No. 195 on the 21st July, 1956 and state how these co-operative rural creameries and milk powder factories are progressing?

The Minister of Food and Agriculture (Shri A. P. Jain): No creamery or milk powder factory has been established so far under the Second Five-Year Plan. But three creameries and one milk powder factory are included in the programme for 1957-58. The creameries are to be located at Khagaria (Bihar), Girnar Area (Bombay) and Manpat (Madhya Pradesh), while the milk powder factory will be at Amritsar (Punjab). The imported equipment required for these plants is to be supplied by the T.C.M. and arrangements for its procurement through the India Supply Mission in Washington are under way.

Nandikonda Project

*1291. **Shri Rajagopala Rao:** Will the Minister of Irrigation and Power be pleased to state:

(a) whether there has been any request either from the Government of Andhra or from Nandikonda Board that the Government of India should take up the Nandikonda project as a National Project; and

(b) if so, whether the Government of India propose to consider the proposal?

The Deputy Minister of Irrigation and Power (Shri Hathí): (a) No, Sir.

(b) Does not arise.

Cooperative Sugar Factories

*1293. **Shri Vishwanatha Reddy:** Will the Minister of Food and Agriculture be pleased to state:

(a) the total amount set apart in the Second Plan period, for the purpose of giving loans to State Governments in order that they may invest in Co-operative Sugar factories;

(b) whether any request has been received from the Government of Andhra for this purpose; and

(c) if so, what action has been taken thereon?

The Minister of Food and Agriculture (Shri A. P. Jain): (a) Rs. 625/- lakhs.

(b) Yes, a loan of Rs. 8 lakhs each was requested for subscribing to the share capital of the Chodavaram and Amaladavalasa Cooperative Sugar Factories.

(c) The State Government has been informed that the loan will be granted as soon as the factories get licence for import of machinery.

Railway Sleepers

*1297. **Shri Jinachandran:** Will the Minister of Railways be pleased to state:

(a) whether any research has been made to find out the possibility of using soft wood (jungle wood) as sleepers after chemical treatment; and

(b) if not, whether Government propose to investigate the possibility as so much of soft wood is being wasted in the country and in view of the foreign exchange difficulties?

The Deputy Minister of Railways (Shri Shah Nawaz Khan): (a) Yes.

(b) Does not arise.

Jhumia Rehabilitation

*1300. **Shri Dasaratha Deb:** Will the Minister of Food and Agriculture be pleased to state:

(a) how many applications have been received so far in Kamalpur (Tripura) for Jhumia Rehabilitation; and

(b) how many of them have received rehabilitation loans and have been allotted land so far?

The Minister of Food and Agriculture (Shri A. P. Jain): (a) 800.

(b) Out of the 500 families who have already been given land for rehabilitation, 200 have been given rehabilitation grants amounting to Rs. 1 lakh at Rs. 500/- per family. The remaining 300 families are also expected to be paid the first instalment of grant during the course of the current year.

बिना टिकट यात्रा

*१३०१. श्री भगवान बिन : क्या रेलवे मंत्री यह बताने की कृपा करेंगे कि :

(क) क्या रेलवे मजिस्ट्रेटों के प्रयत्न के फलस्वरूप उत्तर प्रदेश में बिना टिकट यात्रा करने वाले लोगों की संख्या में काफी कमी हुई है ; और

(ख) पिछले तीन वर्षों में प्रति वर्ष इस विभाग द्वारा दंडस्वरूप कितनी राशि वसूल की गई है ?

रेलवे उपमंत्री (श्री श. न. ख.) : (क) जी नहीं । हालांकि रेलवे मजिस्ट्रेट अच्छा काम कर रहे हैं, फिर भी बिना टिकट चलने वाले मुसाफिरो की तादाद में जो कमी हुई है उसे काफी नहीं कहा जा सकता ।

(ख) उत्तर प्रदेश में रेलवे मजिस्ट्रेटों के पिछले तीन साल के काम से जा जुमाना यानी अतिरिक्त किराया (Excess Charge) वसूल किया गया, वह क्रमशः ८३,६५३ ७६,७०६ और ७५,३४६ रुपये हैं ।

गुवार का निर्यात

*१३०७. श्री मौलाना ख़ाज़ि : क्या खाद्य तथा कृषि मंत्री यह बताने की कृपा करेंगे कि :

(क) क्या यह सच है कि देश में पशुओं के खाद्य दाने की कमी है ;

(ख) यदि हां, तो गुवार के, जोकि पशुओं के लिये पोष्टिक खाद्य है, निर्यात की अनुमति क्यों दी गई ;

(ग) सरकार इज्जतनगर की प्रयोगशाला में गुवार की विभिन्न चीजों की जांच किस उद्देश्य से करवा रही है ;

(घ) क्या सरकार को इस बात का पता है कि गुवार के पोष्टिक भाग गम के निर्यात के फलस्वरूप पशुओं के खाद्य में कमी उत्पन्न होती है ; और

(ङ) विदेशों को गुवार प्रेन, गुवार दाल और गुवार गम का निर्यात कब से प्रारम्भ हुआ है, और अब तक इन की कितनी मात्रा का निर्यात किया जा चुका है ?

खाद्य तथा कृषि मंत्री (श्री अ० प्र० जैन) : (क) से (ङ), सभा की टेबिल पर एक विवरण रख दिया गया है। [देखिये परिशिष्ट ३, अनुबन्ध संख्या १३३]।

Claims Prevention Organisation

*1309. Shri Shree Narayan Das: Will the Minister of Railways be pleased to state:

(a) the organisational set up and constitution of the Claims Prevention Organisation started by Government;

(b) the nature of work done by it so far;

(c) the extent to which this organisation has proved effective in reducing the number of claims; and

(d) the important suggestions made by this organisation to eliminate false claims?

The Deputy Minister of Railways (Shri Shah Nawaz Khan): (a) to (d). A statement showing the requisite information is laid on the Table of the Lok Sabha. [See Appendix III, annexure No. 134].

Eastern Railway Press

*1310. Shri T. B. Vittal Rao: Will the Minister of Railways be pleased to state:

(a) the number of workers employed in the Eastern Railway Press and the number of work shifts of the press; and

(b) the procedure of recruitment for Press?

The Deputy Minister of Railways (Shri Shah Nawaz Khan): (a) The number of workers employed (excluding supervisory staff) is 1,074 and the number of work shifts is 2.

(b) Class III staff other than skilled categories are recruited by the Railway Service Commission, Calcutta. Skilled, semi-skilled and un-skilled staff are recruited directly by the administration through proper Selection Board.

Tungabhadra High Level Canal Scheme

*1311. { Shri Venkatasubbaiah:
Shri Nagi Reddy;
Shri Rami Reddy:

Will the Minister of Irrigation and Power be pleased to state:

(a) whether detailed plans and estimates of Tungabhadra High Level Canal Scheme have been approved;

(b) if so, the estimates and the details of the scheme;

(c) whether any funds have been allotted for the year 1957-58; and

(d) whether the excavation work of the Tungabhadra High Level Canal has been started?

The Deputy Minister of Irrigation and Power (Shri Hathi): (a) No, Sir.

(b) Does not arise.

(c) and (d). No, Sir.

Vamsadhara Project

*1312. **Shri Rajagopala Rao:** Will the Minister of Irrigation and Power be pleased to state:

(a) whether the Government of India have received any detailed site scheme about the Vamsadhara project;

(b) whether the Government of India have suggested a different site from the one approved by the Government of Andhra Pradesh; and

(c) if so, the reasons therefor?

The Deputy Minister of Irrigation and Power (Shri Hathi): (a) Yes, Sir.

(b) Yes, Sir.

(c) The alternative site is considered technically more suitable. It will minimise the rehabilitation problem of the displaced persons and is more economical.

New Level Crossings

*1313. **Shri Sanganna:** Will the Minister of Railways be pleased to state:

(a) whether it is the policy of Government that the party requiring the opening of a level-crossing at any place on a railway line has to deposit a sum of Rs. 2000 for the undertaking of surveys and preparation of plans and estimates; and

(b) if so, whether Government propose to relax this stipulation for the backward and tribal areas as in the case of opening post offices in such areas?

The Deputy Minister of Railways (Shri Shah Nawaz Khan): (a) No, Sir. The charges for preparation of plans and estimates of deposit works, including level crossings, vary from 2% for works costing over Rs. one lakh to 5% for works below Rs. 1000

subject to a minimum of Rs. 25/-. These charges are not refundable, but are adjusted against departmental charges in case the work is carried out. As there were complaints of delays in providing level crossings wanted or recommended by State Governments, the State Governments were advised that for eliminating delays the Executive Engineer, P.W.D. of the area concerned may deposit Rs. 2000/- simultaneously with his letter addressed to the Divisional Superintendent, or Regional Engineer, requesting for the provision of a new level crossing.

(b) The rules permit that Railway will prepare the plan and estimate on receipt of the prescribed percentage charges referred to. The work will be taken in hand after the party, requiring the level crossing, has deposited the balance cost of the work or in case of a Government Department acceptance of the balance cost is received. Advance deposit of Rs. 2000/- having been suggested just to expedite execution of the work, the question of relaxation does not arise.

Cranes at Calcutta Port

*1314. **Shri S. C. Samanta:** Will the Minister of Transport and Communications be pleased to state:

(a) whether it is a fact that the majority of the cranes in the Port of Calcutta are over 50 years old;

(b) if so, the reasons why most of them have not been replaced;

(c) whether it is a fact that such cranes are being manufactured in Calcutta itself; and

(d) if so, what are the difficulties in procuring them while the Port of Bombay imports such cranes from Calcutta?

The Minister of State in the Ministry of Transport and Communications (Shri Humayun Kabir): (a) The Port of Calcutta has a fleet of 372 cranes of which 162 are over 50 years old

(b) to (d) A statement is laid on the Table of the Sabha. [See Appendix III, annexure No. 135].

Chemical Fertilizers

*1315. **Shri L. Achaw Singh:** Will the Minister of Food and Agriculture be pleased to state:

(a) the amount of chemical fertilizers allotted to Tripura and Manipur in the year 1956-57;

(b) the quantity distributed to farmers in the Community Development and National Extension Service Blocks areas during the above period;

(c) whether the efficacy of the chemicals has been tested on the particular soils of the respective territories; and

(d) which particular fertilizer has been commonly used by the farmers in these territories?

The Minister of Food and Agriculture (Shri A. P. Jain): (a) and (b): A statement is laid on the Table of the Lok Sabha. [See Appendix III, annexure No. 136].

(c) Yes.

(d) Ammonium Sulphate.

Survey of Tourism

*1316. { **Shri Hem Raj:**
Shri Daljit Singh:
Shri Padam Dev:

Will the Minister of Transport and Communications be pleased to state:

(a) whether it is proposed to have any survey on Tourism in India; and

(b) if so, of which places?

The Minister of State in the Ministry of Transport and Communications (Shri Humayun Kabir): (a) Yes, Sir.

(b) A statement is laid on the Table of the Lok Sabha. [See Appendix III, annexure No. 137].

Food Situation in Bihar

*1317. { **Shri Bibhuti Mishra:**
Dr. Ram Subhag Singh:

Will the Minister of Food and Agriculture be pleased to state:

(a) whether it is a fact that the Union Deputy Minister for Food recently paid a visit to Patna and some other places in Bihar;

(b) if so, the important grain mandis and godowns which he visited there;

(c) whether it is a fact that some irregularities regarding distribution of food-grains from Government godowns in Patna were brought to his notice;

(d) if so, the nature of such irregularities; and

(e) the steps Government have taken to remove them?

The Minister of Food and Agriculture (Shri A. P. Jain): (a) Yes, Sir.

(b) Patna, Muzaffarpur and Gaya.

(c) to (e). No irregularity was noticed regarding distribution from Central Government depot at Patna. As, however, the approach to the present Government godowns at Marufganj is difficult, arrangements have been made to issue wheat also from a godown taken over recently at Digha.

रेल किराया और भड़क

*१३१८. श्री भक्त दर्शन: क्या रेलवे मंत्री पहाड़ी और अर्द्ध-पहाड़ी रेलवे खण्डों के प्रति मील किराये की दर के बारे में १२ अगस्त, १९५७ के अल्प सूचना प्रश्न संख्या ७ के उत्तर के सम्बन्ध में यह बताने की कृपा करेंगे कि :

(क) क्या इस बीच इस बात का पता लगा लिया गया है कि उस विवरण

में उल्लिखित बारह रेल-खण्डों के प्रातिरक्त रेलों के किसी अन्य खण्ड पर सामान व यात्रियों पर बड़ा हुआ भाड़ा लिया जाता है अथवा नहीं ;

(ख) यदि हां, तो क्या इस दृष्टिकोण से (१) रायवाला-जयपुर, (२) नजीबाबाद-कोटद्वारा, (३) मुरादाबाद-रामनगर और (४) पीलीभीत-टनकपुर रेल-खण्डों के सम्बन्ध में जांच पड़ताल की गई है या नहीं ;

(ग) यदि हां, तो उपरोक्त रेल खण्डों की वास्तविक स्थिति क्या है ; और

(घ) उन रेल-खण्डों पर बड़े हुए रेल-भाड़ों को घटाने के लिये क्या कार्यवाही की जा रही है ?

रेलवे उपमंत्री (श्री साहनवाज जी) :

(क) जी हां ।

(ख) जी हां ।

(ग) रायवाला-जयपुर सेक्शन के भलावा, जो हरिद्वार-देहरादून सेक्शन का टुकड़ा है, जिन दूसरे सेक्शनों का जिक्र किया गया है, उन सब पर वास्तविक मील-दुरी (actual mileage) के हिसाब से किराया-भाड़ा लिया जाता है ।

(घ) हरिद्वार-देहरादून सेक्शन पर बढ़ाई गई मील-दुरी (inflated mileage) के हिसाब से किराया-भाड़ा न लेने का जो फैसला किया गया है, वह खुदबखुद रायवाला-जयपुर सेक्शन पर भी लागू होता है, क्योंकि यह सेक्शन हरिद्वार-देहरादून का एक टुकड़ा है । भाग (ख) में जिन सेक्शनों का जिक्र किया गया है, वहां किराया-भाड़ा घटाने का सवाल नहीं उठता, क्योंकि वहां पहले से ही वास्तविक मील-दुरी के हिसाब से किराया-भाड़ा लिया जा रहा है ।

Wheat from U.S.A.

*1319. { Shri Raghunath Singh:
Dr. Ram Subhag Singh:
Shri Radha Raman:
Shri R. S. Lal:

Will the Minister of Food and Agriculture be pleased to state:

(a) whether it is a fact that the Turkish Ship "S.S. Haran" on charter with India Supply Mission, Washington had stopped unloading operation of 11,000 tons of U.S. wheat in Bombay;

(b) if so, the reasons thereof;

(c) the terms on which the ship was chartered;

(d) how much wheat has already been unloaded; and

(e) whether any settlement has now been reached for unloading the remaining wheat?

The Minister of Food and Agriculture (Shri A. P. Jain): (a) Yes Sir.

(b) The vessel had undergone demurrage which the Government would have paid in the usual manner after completion of discharge and finalisation of relevant documents but the steamer wanted payment day by day. The vessel, therefore, suspended discharge on 7-8-1957 after unloading about 10070 tons.

(c) The main terms are as per statement placed on the Table of the Lok Sabha. [See Appendix III, annexure No. 138.]

(d) The entire cargo has since been unloaded.

(e) Does not arise.

Explosion at Asansol Transhipment Yard

*1319A. Dr. Ram Subhag Singh: Will the Minister of Railways be pleased to state:

(a) whether the wagon which exploded at Asansol on the 31st July, contained only packages of fire-work :

(b) whether the contents of the wagon had been inspected before despatch or at the time of loading;

(c) whether the loading and unloading of this wagon was done away from the goods-shed, as per rules;

(d) if not, the reasons therefor; and

(e) who were the consigners and consignees of this wagon?

The Deputy Minister of Railways (Shri Shah Nawaz Khan): (a) According to railway records the wagon contained only consignments of fireworks. The Inspector of Explosives, Calcutta, however, is examining the matter further.

(b) Yes.

(c) Yes.

(d) Does not arise.

(e) A statement is laid on the Table of the Lok Sabha. [See Appendix III, annexure No. 139.]

Calcutta Port

***1320. Shri S. C. Samanta:** Will the Minister of Transport and Communications be pleased to state whether it is a fact that partially due to the necessity of discharging cargo into boats owing to the shortage of wharves, the cost per ton of cargo in Calcutta is now higher than generally in foreign ports?

The Minister of State in the Ministry of Transport and Communications (Shri Humayun Kabir): When there is congestion in a port, it is usual for owners or agents of ships to arrange for discharge of cargo into lighters in order to reduce detention to ships. The cargo discharged by this method necessarily incurs additional handling charge. Complaints have been received from shipping interests that in the present congested condition at Calcutta the cost of handling a ton of cargo discharged by lighters is perhaps higher than in most foreign ports. It is expected that the situation will be improved by October this year.

Seizure of Foodgrain Stocks

***1321. { Shri Shree Narayan Das:
Shri N. R. Munisamy:**

Will the Minister of Food and Agriculture be pleased to state:

(a) the names of States which have been authorised so far by the Central Government to seize stocks of foodgrains in their respective area;

(b) the extent to which such States have so far seized foodgrains from hoarders in their areas;

(c) whether the Central Government have so far exercised their powers of such seizure at any place; and

(d) if so, the place, number and extent of such seizures of foodgrains?

The Minister of Food and Agriculture (Shri A. P. Jain): (a) and (b). All the State Governments except Kerala and Jammu & Kashmir and the administrations of Delhi, Himachal Pradesh and Tripura have been authorised to requisition stocks of paddy and rice under the Essential Commodities Act, 1955. No State Government or Administration have, however, exercised these powers, so far.

(c) and (d). The Central Government have started requisitioning gram in five markets in Shri Ganganagar district of Rajasthan and rice in Krishna, West Godavari and East Godavari districts of Andhra Pradesh. So far 5500 tons of gram and 4595 tons of rice have been requisitioned.

State Tourist Advisory Committees

**Shri Hem Raj:
*1322. { Shri Daljit Singh:
Shri Padam Dev:**

Will the Minister of Transport and Communications be pleased to state:

(a) which of the State Governments have constituted their State Tourist Advisory Committees and local committees; and

(b) the method adopted for constituting them?

The Minister of State in the Ministry of Transport and Communications (Shri Humayun Kabir): (a) and (b). [A statement is laid on the Table of the Lok Sabha. (See Appendix III, annexure No. 140)]

Rice Situation in Orissa

*1321. { Shri Sanganna:
Shri P. K. Dev:

Will the Minister of Food and Agriculture be pleased to state:

(a) whether it is a fact that the drought condition in the State of Orissa has upset the entire food position of the State;

(b) the quota of rice fixed for export outside Orissa by the Government of India; and

(c) whether in view of drought conditions the export of rice from Orissa will be stopped?

The Minister of Food and Agriculture (Shri A. P. Jain): (a) No Sir.

(b) and (c). No export on trade account is now permitted except to the extent necessary to honour Orissa Government's commitments in this regard before the imposition of the ban by the Government of India on 6th June, 1957. It has been agreed that if suitable storage accommodation is available for opening one or two Central storage depots or if the Orissa Government wish to retain on their account under their own arrangements, a portion of the purchases now being made by the Central Government would be left in Orissa to meet possible future needs of Orissa.

Food Situation in Manipur

*1324. Shri L. Achaw Singh: Will the Minister of Food and Agriculture be pleased to state:

(a) whether it is a fact that there has been an acute scarcity of food-grains in 19 tribal villages in the Jiribam sub-division of Manipur for the last 3 months;

(b) whether it is a fact that more than 5000 tribal people have been affected by the famine conditions prevailing in those areas and they are living on roots and leaves and epidemic

diseases have broken out as a result of under-nourishment; and

(c) if so, what special steps have been taken by Government to relieve the suffering of the people, in view of the fact that there is no land route to rush food-stuffs from Imphal by motor to these remote hill areas?

The Minister of Food and Agriculture (Shri A. P. Jain): (a) Reports were received from a few Villages in Jiribam Sub-Division referring to low yield of last harvest and local scarcity of foodgrains.

(b) The total population in the villages affected is about 2,000. No epidemic has been reported. Roots and leaves presumably refer to yams and greens which normally form part of tribal diet, when available.

(c) Rice is being offered by Government from Godowns at Silchar. Footpaths maintained by Government are available for carrying headloads to Jiribam Sub-Division, and are used by the tribal people for the purpose.

Underground Road below Railway Track at Anantapur

992. Shri Nagi Reddy: Will the Minister of Railways be pleased to state:

(a) whether there is any proposal for the construction of an underground road under the Railway Track passing through Anantapur Town on the Dharmavaram-Anantapur line in the Guntakal Division of the Southern Railway;

(b) whether any request from the public has been received through the Municipal Council; and

(c) if so, what action has been taken in the matter?

The Deputy Minister of Railways (Shri Shah Nawaz Khan): (a) to (c). The Andhra Government have submitted a list of level crossings to be replaced by under or over-bridges in order of priority, and the proposal for providing a bridge in place of level crossing at Mile 42/11-12 near Anantapur Railway Station is to be

considered in 1959-60 according to this priority. No request has been received from the public through the Municipal Council.

Import of Rail Bridge Materials

992. Shri Sugandhi: Will the Minister of Railways be pleased to state:

(a) whether it is a fact that imports of rail bridge materials required for the bridges in Gadag-Sholapur M.G. Section of Southern Railway were held up due to Suez crisis;

(b) whether the shipments of these materials have now been arranged; and

(c) if so, the probable date when the works may start?

The Deputy Minister of Railways (Shri Shah Nawaz Khan): (a) No Sir. The facts are as follows:—

The works consist of renewal of spans on four bridges. The 20 Nos. 100' spans required for two bridges are still under fabrication and their fabrication may take another 2/4 months to complete. In respect of the 35 spans of 150' required for another two bridges, the working drawings have been received and are under check and the fabrication of steel work may start in a month's time.

(b) The shipment is to be arranged by the fabricating firms and the matter of arranging shipment is under reference with the fabricators' representatives in India. The date of shipment cannot be given at present.

(c) The renewal work may start in the field by about the middle of January, 1958 provided a sufficient number of girders are received by November 1957. The steel work required is 4030 tons.

Passenger Amenities

994. Shri D. C. Sharma: Will the Minister of Railways be pleased to state what passenger amenities have

been provided at the stations on the Amritsar-Pathankot line of Northern Railway during the First Five Year Plan?

The Deputy Minister of Railways (Shri Shah Nawaz Khan): The following passenger amenities have been provided at stations on the Amritsar-Pathankot line of the Northern Railway during the First Five Year Plan period:

(i) Amritsar (a) Conversion of rest rooms into Retiring rooms on 1st floor of station building.

(b) Provision of mosaic flooring in III class passenger hall.

(ii) Batala Replacing brick-on-edge flooring with shell-read on passenger platform.

(iii) Bharoli Provision of electric lighting.

(iv) Pathankot (a) Flush type latrines and urinals for 1st, 2nd and 3rd class passengers.

(b) Waiting hall, tonga shed and a new road in front of tonga shed.

(c) 300 ft. long I.R.S. type shelter over passenger platform (B.G.).

(d) Improvement of lighting, including tube lighting in III class Waiting Hall and on BG & NG platforms.

(e) 750 ft. long washable apron.

(f) Electrification of vendors shop.

Import of Foodgrains

995. Shri D. C. Sharma: Will the Minister of Food and Agriculture be pleased to state the type and quantity of foodgrains, other than wheat and rice, imported into India during 1957 (upto the end of July)?

The Minister of Food and Agriculture (Shri A. P. Jain): No foodgrains other than wheat and rice have been imported into India during 1957 on Government account.

Wheat Seeds

996. **Pandit D. N. Tiwary:** Will the Minister of Food and Agriculture be pleased to state the quantity of seeds of wheat and grain despatched to the State of Bihar in 1957 so far?

The Minister of Food and Agriculture (Shri A. P. Jain): 50,260 maunds of seed wheat have so far been despatched to Bihar in 1957. Further despatches are being arranged.

Auxiliary Medical Workers

997. **Shri S. C. Samanta:** Will the Minister of Health be pleased to state:

(a) when the actual training of auxiliary medical workers began;

(b) how many workers have undergone the two-year training so far and how they have been utilised;

(c) how many of the trained workers are women;

(d) whether women trainees have been given any special training; and

(e) how many workers left the training field before the completion of the course?

The Minister of Health (Shri Karmarkar): (a) Only two State Governments, viz. Andhra Pradesh and Bihar, have so far agreed to implement this scheme. In Bihar the training was started at the Public Health Institute, Patna, on the 8th May, 1957. In Andhra Pradesh the training has not yet started.

(b) and (c). No one has yet been trained.

(d) No.

(e) Eight.

Export of Cattle

998. **Shri L. Achaw Singh:** Will the Minister of Food and Agriculture be pleased to state:

(a) whether the Police Check Posts at Kangpokpi and Mao on the Dimapur-Imphal Road keep any re-

cords of cattle exported from Manipur;

(b) how many cases of cattle thefts were detected at these check posts during the last three years; and

(c) the number of cattle exported from Manipur during the same period?

The Minister of Food and Agriculture (Shri A. P. Jain): (a) There is no legal ban on the export of cattle from Manipur and the Police are not required by any law to maintain any records of such exports. The Police Check posts at Kangpokpi and Mao are, however, maintaining a register for making necessary entries regarding the number of cattle exported and the contents of vehicles which pass through the chowkies, as such information may be of some help in the detection and investigation of crimes.

(b) None.

(c) In view of the fact that Dimapur-Imphal is not the only route by which cattle can be taken out of Manipur, it is not possible to give any accurate figures about the number of cattle exported. The number of cattle which are entered, as taken out of Manipur, in the registers in the police outposts is as under:—

1954	..	149
1955	..	18
1956	..	2743

Slum Advisory Committee, Delhi

999. **Pandit D. N. Tiwary:** Will the Minister of Health be pleased to state:

(a) whether the Slum Advisory Committee for Delhi had held any meeting; and

(b) if so, the number of meetings held and proposals submitted to Government for improvement of slum areas in Delhi?

The Minister of Health (Shri Karmarkar): (a) Yes.

(b) Two meetings of the Slum Advisory Body have so far been held, one on the 10th November and the other on the 4th December, 1956. The following decisions were taken by them:

(1) That alternative accommodation to all the eligible displaced squatters of the Yamuna Bazar area should be provided by the Ministry of Rehabilitation;

(2) That Government and private employees, numbering 530 families should be shifted from the Yamuna Bazar area as soon as the new colonies at Kilokri and Jhilmila Tahirpur are fit for occupation.

(3) That out of 128 pandas squatting in the Yamuna Bazar area, only those pandas who had to perform actual religious ceremonies in the *smasans* and bathing-ghats should remain there and the others must be evicted;

(4) That *mochis* squatting in the Yamuna Bazar area should be given training at night classes to make chappals and shoes thus enabling them to earn a decent income on their being shifted to Jhilmila Tahirpur;

(5) That dhobies, sweepers and other minor personnel squatting in the Yamuna Bazar area should be housed on plots of land to be made available by the Ministry of Works, Housing and Supply near about the New Government Colonies, where quarters for these people should be built, out of the slum clearance funds of the Ministry of Health; and

(6) that the question of re-housing of the railway mazdoors squatting in the Yamuna Bazar area should be taken up with the Ministry of Railways;

Recruitment of Class IV Railway Staff

1000. Shri S. C. Samanta: Will the Minister of Railways be pleased to state:

(a) whether ability to read and write in the regional language is one

of the criteria to recruit class IV service personnel on the Indian Railways;

(b) whether any consideration is shown to the sons of Railway employees serving in the area;

(c) what steps have been taken to see that requisite number of Scheduled Castes and Scheduled Tribes are recruited; and

(d) whether a statement showing details of recruitments of Class IV personnel at Khargpur in South Eastern Railway during the last four years (mentioning Scheduled Castes and Scheduled Tribes separately) will be laid on the Table of the Sabha?

The Deputy Minister of Railways (Shri Shah Nawaz Khan): (a) Yes.

(b) Such candidates are considered on par with the other applicants.

(c) The orders issued by the Government for increasing the intake of Scheduled Castes and Scheduled Tribes to the extent of quota reserved for them have been adopted for the Railway services. The vacancies reserved are given publicity, notified to the Employment Exchange and also to the various Scheduled Castes and Scheduled Tribes organisations recognised for purposes of communal representation orders. The minimum standard required of the candidates has been lowered in the case of Scheduled Castes and Scheduled Tribes. Further instructions have been recently issued to the Railway Administrations to ensure that Scheduled Castes and Scheduled Tribes candidates are recruited to the full extent of the quota reserved for them.

(d) A statement is laid on the Table of the Lok Sabha. [See Appendix III, annexure No. 141.]

C.P.W.D. Roads in Orissa

1001. Shri P. G. Deb: Will the Minister of Transport and Communications be pleased to state:

(a) the total amount allotted last

year for the construction of the C.P.W.D. roads in Orissa;

(b) what amount has been actually spent last year for the above work; and

(c) whether the progress of the C.P.W.D. roads in the District of Sambalpur has been satisfactory?

The Minister of State in the Ministry of Transport and Communications (Shri Raj Bahadur): (a) Rs. 9.15 lakhs.

(b) According to preliminary accounts, the amount actually spent was Rs. 8.86 lakhs.

(c) No road works in the District of Sambalpur are now being executed by the Central Public Works Department.

Food Production

1002. Shri Venkatasubbaiah: Will the Minister of Food and Agriculture be pleased to state the steps Government propose to take to ensure adequate supply of various agricultural implements and chemical manures at reasonable prices to the agriculturists to step up food production in the country?

The Minister of Food and Agriculture (Shri A. P. Jain):

Agricultural Implements

Though there is no price control on agricultural implements, the Government of India have been frequently requesting the importers and the dealers to charge reasonable prices for these items in addition, instructions have been issued to the State Governments to utilise the G.M.F. Loans for the purchase of capital equipments such as tractors, ploughs, harrows, rigs, drills, casing pipes, etc. By convention, it has been left to the State Governments to provide for the distribution of cheaper types of such implements with the help of taccavi loans. The Government of India also propose to set up a Tractor Users' Association, with representatives of importers, dealers, manufacturers, farmers, and the State and the Central Governments, to ensure, *inter alia*

that the dealers and importers charge reasonable prices for agricultural machinery and implements. The Government have also issued licenses to certain parties for manufacturing agricultural implements in the country, which would make these implements available to the cultivators at cheaper prices in future.

Chemical Manures:

Nitrogenous fertilisers are being distributed in the country through a Government Trading Scheme viz. the Central Fertiliser Pool. The purpose of the Pool is to arrange equitable supplies at reasonable rates. Under this scheme the entire indigenous production of chemical fertilisers is taken over by the Central Pool. Imports of fertilisers for meeting the deficit are also made on Government account and added to the Pool. The pooled supplies are issued at a uniform issue-price which is generally fixed on 'No-profit No loss' basis.

Bridge near Naya Nagar Station

1003. Shri Shree Narayan Das: Will the Minister of Railways be pleased to state:

(a) whether the attention of Government has been drawn to the great inconvenience caused to the railway passengers at the Naya Nagar Railway Station on the Samastipur-Mansi section of the North Eastern Railway who have to come to the station from the Northern side of the Railway line;

(b) whether it is a fact that they have to cross a deep ditch which falls between the approach road and the Railway station;

(c) whether any proposal to build a bridge over this ditch has been considered, and

(d) if so, the nature of the decision taken?

The Deputy Minister of Railways (Shri Shah Nawaz Khan): (a) The fact is that the District Board road from the North crosses over a level

crossing at the east end of the station and goes to the south of the railway station to which it is connected by a railway approach road.

(b) No, Sir, not if they do not trespass but keep to the proper roads.

(c) No.

(d) Does not arise.

Passenger Shed at Tarsarai Railway Station

1064. Shri Shree Narayan Das: Will the Minister of Railways be pleased to state:

(a) whether it is a fact that there is no passenger shed at the Tarsarai Railway Station on the Darbhanga-Jainagar Branch of North-Eastern Railway besides the small passage to go out of the station;

(b) if so, whether there is any proposal to build one at an early date, and

(c) whether the question of electrifying this station is being considered as the power supply may be easily available from Sakri Power Station of the Bihar Government?

The Deputy Minister of Railways (Shri Shah Nawaz Khan): (a) and (b) The concourse measuring 25' x 12' near the booking window, at Tarsarai station, is utilised as waiting hall for III class passengers and at present there is no proposal to build a separate shed. Separate passengers sheds are being provided in order of priority and Tarsarai will be considered in its turn. One upper class waiting room for gents and another for ladies already exist at this station.

(c) The question of electrifying the station will be considered when power becomes available at Tarsarai from local suppliers. It will be too costly for the railway to run lines over a distance of four miles and tap electricity from Sakri.

Imports of Wheat and Rice

1065. Shri Rajagopala Rao: Will the Minister of Food and Agriculture be pleased to state the total quantity of wheat and rice imported at different ports during 1954-55, 1955-56 and 1956-57?

The Minister of Food and Agriculture (Shri A. P. Jain): The information is contained in the statement laid on the Table of the Lok Sabha. [See Appendix III, annexure No. 142.]

De-Luxe Train between Calcutta and Madras

1066. Shri Rajagopala Rao: Will the Minister of Railways be pleased to state whether there is any proposal under consideration to run a De-Luxe air conditioned train between Calcutta and Madras?

The Deputy Minister of Railways (Shri Shah Nawaz Khan): There is no proposal for running a De-Luxe air-conditioned train between Calcutta and Madras.

Groundnuts and Groundnut Oil

1067. Shri Venkatasubbaiah: Will the Minister of Food and Agriculture be pleased to state:

(a) the quantity of groundnuts and groundnut oil produced in each State in the year 1956-57, and

(b) the quantity allowed to be exported?

The Minister of Food and Agriculture (Shri A. P. Jain): (a) A statement giving the production of groundnuts in each State during 1956-57 is placed on the Table of Lok Sabha. [See Appendix III, annexure No. 143.]

Information regarding State-wise production of groundnut oil is not available.

(b) Export of both groundnut seed and oil is banned at present.

Dickens Formula

1008. Shri Sanganna: Will the Minister of Transport and Communications be pleased to state:

(a) whether the Dickens formula is applied in the construction of all the bridges on the National Highways;

(b) if so, what is that formula; and

(c) what are the advantages of this formula over other formulae?

The Minister of State in the Ministry of Transport and Communications (Shri Humayun Kabir): (a) No.

(b) The formula is Q-CA $\frac{1}{2}$: where Q-the maximum flood discharge in cusecs;

A catchment area in square miles; and

C-empirical constant to be fixed in each case in consideration of the site conditions.

(c) The matter is highly technical and it is at present being investigated by a high level Committee set up by the Railway Board.

Derailment of Train at Phephna Station

1009. Shri Radhamohan Singh: Will the Minister of Railways be pleased to state:

(a) whether it is a fact that on the night of 20th July, 1957 at Phephna Junction Station of the North Eastern Railway two wagons of a goods train were derailed, blocking the line for a considerable time;

(b) whether the causes of the derailment at that place have been investigated; and

(c) if so, the result thereof?

The Deputy Minister of Railways (Shri Shah Nawaz Khan): (a) At about 19:35 hours on 20-7-1957 while Up Empty Coal Special was being admitted on line No. 3 of Phephna station on the Chupra-Aunrihar Junction

Section of Muzaffarpur Region, two empty wagons which were 18th and 19th from the engine derailed of all their wheels blocking the passage to and from Chupra end for about three hours.

(b) and (c). The cause of the accident is under investigation.

Railway Quarters and Workshops on Western Railway

1010. Shri M. B. Thakore: Will the Minister of Railways be pleased to state:

(a) the number of Government quarters of the Railway Staff on the Western Railway at present;

(b) the number of workshops remodelled on the Western Railway so far; and

(c) whether Government propose to construct more workshops in the Second Five Year Plan on this Railway?

The Deputy Minister of Railways (Shri Shah Nawaz Khan): (a) About 48,450 quarters as on 31st March, 1957.

(b) One.

(c) Yes, Sir. Work on the construction of three new workshops is in progress and some more new workshops have been programmed.

Railwaymen at Sealdah Division

1011. Shri H. N. Mukerjee: Will the Minister of Railways be pleased to state:

(a) whether it is a fact that railwaymen attached to relief trains in the Sealdah Division have to work at the sites of accident for indefinite period without food and rest; and

(b) if so, whether provisions of food and rest for such workers will be made?

The Deputy Minister of Railways (Shri Shah Nawaz Khan): (a) No, Sir.

(b) Does not arise.

All India Institute of Medical Sciences, New Delhi

1012. **Shri Viswanatha Reddy:** Will the Minister of Health be pleased to state:

(a) the total estimate of recurring and non-recurring expenditure on the All India Institute of Medical Sciences, New Delhi; and

(b) what portion of it is subscribed under the Colombo Plan?

The Minister of Health (Shri Karmakar): (a) Rs. 591.48 lakhs, i.e. Rs. 117.55 lakhs recurring and Rs. 473.93 lakhs non-recurring.

(b) £ One million.

Ammonia Sulphate

1013. **Shri Rajagopala Rao:** Will the Minister of Food and Agriculture be pleased to state:

(a) the demand for Ammonia Sulphate from Andhra Pradesh for the year 1957; and

(b) whether there was a rise in the price of ammonia sulphate in the country during the years 1952-53 to 1956-57 year-wise?

The Minister of Food and Agriculture (Shri A. P. Jain): (a) 1,25,000 tons for the period 1-1-57 to 31-3-58.

(b) A statement showing the prices during this period is laid on the Table of the Lok Sabha. [See Appendix III, annexure No. 144.]

Railway School at Rayagada

1014. **Shri Sanganna:** Will the Minister of Railways be pleased to refer to the reply given to Unstarred Question No. 1392 on the 6th September, 1956 in respect of the Railway School at Rayagada and state:

(a) whether sufficient accommodation is available for all the sections of the School;

(b) whether it is a fact that the strength of the students in the Oriya

Section is over the strength fixed for a single teacher; and

(c) if so, whether arrangements have been made to appoint another teacher for this section?

The Deputy Minister of Railways (Shri Shah Nawaz Khan): (a) No, but the action is being taken to provide additional rooms.

(b) Yes, but the excess is not considerable there being 38 pupils against the yardstick of 30.

(c) The excess being small, there is not sufficient justification for the appointment of a second Oriya Teacher at present.

भारतीय रेलों में हिन्दी

१०१५. श्री रा० स० तिवारी क्या रेलवे मंत्री यह बताने की कृपा करेंगे कि :

(क) क्या भारतीय रेलवे के सरकारी कामकाज में हिन्दी चालू करने के लिये कोई योजना बनाई गई है, और

(ख) यदि हा, तो इस सम्बन्ध में कौन सा कार्यक्रम प्रारम्भ किया गया है ?

रेलवे उपमंत्री (श्री शाहनवाज़ ख़ाँ) :
(क) और (ख). इस समय भारतीय रेलों के काम में हिन्दी का समित उपयोग किया जा रहा है। संविधान में १९६५ तक सरकारी काम-काज हिन्दी में करने का जो लक्ष्य रखा गया है उसे ध्यान में रख कर रेलों में हिन्दी का उपयोग धीरे-धीरे बढ़ाने की व्यवस्था की गई है ताकि उस समय तक रेलों अपना सारा सरकारी काम हिन्दी में कर सकें।

रेलवे स्टेशनों पर हिन्दी

१०१६. श्री रा० स० तिवारी : क्या रेलवे मंत्री यह बताने की कृपा करेंगे कि :

(क) हिन्दी में स्टेशनों का नाम शुद्ध करने और उनके प्रमाणीकरण तथा रेलवे

स्टेशनों पर सूचनाएँ हिन्दी में लगाने के सम्बन्ध में कितने स्टेशनों पर काम किया जा चुका है ;

(ख) यदि हाँ, तो उस का व्यौरा क्या है ; और

(ग) क्या अन्य पदालि के कर्मचारियों की सहायता से इस काम में शीघ्रता नहीं लाई जा सकती ?

रेलवे डायरेक्ट्री (श्री शाहनवाज खाँ) .

(क) से (ग). इस समय जो स्थिति है उस के बारे में एक बयान सभा-पटल पर रख दिया गया है। [बेखिमे परिशिष्ट ३, अनुक्रम संख्या १४५].

Overtime Allowance for Railway Staff

1017. { Shri S. M. Banerjee:
Shri Prabhat Kar:

Will the Minister of Railways be pleased to state:

(a) whether it is a fact that Carriage and Wagon staff employed in Sick Lines get their overtime allowance for their work in excess of 48 hours a week; and

(b) whether it is a fact that overtime allowance for work in excess of 48 hours a week, is not paid to the Carriage and Wagon staff employed for train passing and washing line duties?

The Deputy Minister of Railways (Shri Shah Nawaz Khan): (a) Yes.

(b) Yes.

Central Co-operative Land Mortgage Bank, Trivandrum

1018. Shri Jinachandran: Will the Minister of Food and Agriculture be pleased to state:

(a) whether it is a fact that after integration of the Malabar area with Kerala State, no new loans have been examined or sanctioned by the Cen-

tral Co-operative Land Mortgage Bank at Trivandrum;

(b) if so, whether the Reserve Bank of India have any responsibility in causing this delay; and

(c) whether Government will examine this question and devise measures for redressing the grievances of the Co-operative Land Mortgage Banks in the Malabar area?

The Minister of Food and Agriculture (Shri A. P. Jain): (a) No.

(b) and (c). Do not arise.

Riverine Soil Erosion in Andhra Pradesh

1019. Shri B. S. Murthy: Will the Minister of Irrigation and Power be pleased to state:

(a) whether any amount had been allotted to Andhra Pradesh during 1956-57 for preventing riverine soil erosion; and

(b) if so, the amount and the rivers covered under the scheme?

The Deputy Minister of Irrigation and Power (Shri Hathi): (a) and (b). No loan was advanced in 1956-57 to the Andhra Pradesh Government specifically for "riverine soil erosion" work; the loans advanced in the irrigation and power sector were for flood control works, the Nagarjunasagar Project and development schemes. A clarification of the position in regard to "riverine soil erosion" is being obtained from the State Government and further information will be laid on the Table of the House as soon as possible

दनकपुर में डाकघर की इमारत

१०२०. श्री मोहन हस्कर : क्या परिश्रम तथा संसार मंत्री यह बताने की कृपा करेंगे कि

(क) दनकपुर (जिला नैनीताल) में डाकघर की जो नई इमारत तैयार हो रही है उस पर कितना व्यय होने का अनुमान है ;

(ख) क्या यह सच है कि उक्त भवन की दीवारें तैयार हो जाने के बाद निर्माण-कार्य रोक दिया गया है ;

(ग) क्या सरकार को इस भवन के निर्माण-कार्य को स्थगित कर देने का विचार है ; और

(घ) यदि हा, तो इस के क्या कारण हैं ?

परिग्रहण तथा संचार मन्त्रालय में राज्य-मन्त्री (श्री राज बहादुर) : (क) ४३,८६२ रुपये (जमीन के लिये ५,००० रुपये तथा निर्माण के लिये ३८,८६२ रुपये) ।

(ख) ठेकेदार तथा केन्द्रीय सरकारी निर्माण विभाग (Central P.W.D.) के बीच कुछ झगडा हो जाने के कारण निर्माण-कार्य रोक दिया गया है । यह झगडा तो हो रहा है । इस वर्ष के अन्त तक निर्माण-कार्य के समाप्त करने के प्रयोजन से यह कार्य शीघ्र ही पुन प्रारम्भ कर दिया जायगा ।

(ग) जी नहीं ।

(घ) यह प्रश्न नहीं उठता ।

Technical Personnel of River Valley Projects

1021. **Shri Sanganna:** Will the Minister of Irrigation and Power be pleased to refer to the reply given to Starred Question No 1918 on 8th September, 1956 in respect of the surplus technical personnel of the River Valley projects and state whether a copy of the scheme referred to therein will be laid on the Table of the Sabha?

The Deputy Minister of Irrigation and Power (Shri Hathi): A copy of the Scheme is laid on the Table of the Lok Sabha [See Appendix III, annexure No 146]

Calcutta Port

1022. **Shri S. C. Samanta:** Will the Minister of Transport and Communications be pleased to state:

(a) whether Government are aware that many of the procedures followed

by the Calcutta Port Commissioners in respect of such matters as delivery of Cargo etc are out-dated, and

(b) if so, whether any effort has been made to reorganise them consistent with modern conditions?

The Minister of State in the Ministry of Transport and Communications (Shri Humayun Kabir): (a) and (b). The procedures followed by the Calcutta Port Commissioners in respect of delivery of cargo are in accord with statutory provisions and established practice. No complaints have been received about defects in the procedure.

Co-operative Societies in Tripura

1023. **Shri Dasaratha Deb:** Will the Minister of Food and Agriculture be pleased to state

(a) the total number of Co-operative Societies, function-wise in Tripura;

(b) the total number of members in such Co-operative Societies;

(c) the total number of members belonging to societies formed in Refugee Colonies,

(d) the total amount of subscriptions realised from the members, and

(e) the total number of subscriptions realised from members belonging to Co-operative Societies formed in the Refugee Colonies?

The Minister of Food and Agriculture (Shri A. P. Jain): The information is not available and the time and labour involved in the collection of the information would not be commensurate with the results to be achieved.

Lift Irrigation Schemes

1024. **Shri Hem Raj:** Will the Minister of Food and Agriculture be pleased to state

(a) the number of lift-irrigation schemes undertaken in Punjab,

Pepsu and Himachal regions during the First Five Year Plan period;

(b) how many of them have been completed and the expenditure incurred thereon; and

(c) the number of lift-irrigation schemes proposed to be undertaken during the Second Five Year Plan period in Punjab and Himachal Pradesh?

The Minister of Food and Agriculture (Shri A. P. Jain): (a)

Punjab	357 Nos.
Pepsu	1155 Nos.
Himachal Pradesh	1 No.

(b) All the 1513 schemes in Punjab, Pepsu and Himachal Pradesh had been completed and an expenditure of Rs. 22.23 lakhs was incurred on these schemes.

(c) Punjab (including erstwhile Pepsu)	920 Nos.
Himachal Pradesh	13 Nos.

Indian Airlines Corporation

1025. Shri Manabendra Shah: Will the Minister of Transport and Communications be pleased to state when Government propose to lay on the Table the profit and loss accounts of Indian Airlines Corporation and Air India International Corporation for the year 1956-57?

The Minister of State in the Ministry of Transport and Communications (Shri Humayun Kabir): Printed copies of the reports containing the profit and loss accounts of the two Corporations for the year 1956-57 will be laid on the Table of the Lok Sabha during the next session of Parliament.

Himachal Pradesh Transport Authority

1026. { Shri Heda:
Shri Nek Ram:

Will the Minister of Transport and Communications be pleased to state:

(a) whether Himachal Pradesh Administration has reconstituted its Transport Authority in the light of the provisions of the Motor Vehicles Amendment Act;

(b) if so, the number of official and non-official members and their names;

(c) whether the State Transport is experiencing shortage of vehicles;

(d) whether they attach or employ private trucks and lorries on commission of 25% of the net hireage;

(e) if so, their number and commission so earned during the last three years; and

(f) the profit and loss account of the State Transport for the last three years?

The Minister of State in the Ministry of Transport and Communications (Shri Humayun Kabir): (a) The State Transport Authority has not yet been reconstituted, but the Administration propose to reconstitute it soon.

(b) Does not arise.

(c) No shortage of vehicles is experienced to meet normal traffic. Some vehicles have, however, to be hired by the Himachal Pradesh Administration for about two and a half months during the Potato and Fruit Season.

(d) Yes.

(e) Figures of vehicles engaged in each year are not readily available but the maximum number engaged any time has not exceeded 147, Gross receipts including departmental expenditure and net income from these

vehicles during the years 1954-55 and 1955-56 are given below. The infor-

mation in respect of the year 1956-57 is not available.

Year	Gross receipts	Net income
	Rs.	Rs.
1954-55	1,94,394	83,978
1955-56	1,93,657	83,660

(f) the net profit during the last three years was as under:—

Year	Profit.
	Rs.
1954-55	2,66,694
1955-56	1,71,353
1956-57	2,00,000 (estimated)

शाजापुर डाकघर

१०२७. श्री क० भे० मालवीय: क्या परिवहन तथा संचार मंत्री यह बताने की कृपा करेंगे कि :

(क) क्या मध्य प्रदेश के शाजापुर नामक स्थान में डाकघर तथा तारघर की इमारत के लिये कोई स्थान चुन लिया गया है ;

(ख) यदि हा, तो निर्माण-कार्य कब प्रारम्भ होगा ; और

(ग) क्या निर्माण-कार्य का ठेका दे दिया गया है ?

परिवहन तथा संचार मंत्रालय में राज्य-मंत्री (श्री राज बहादुर) : (क) जी हा ।

(ख) १९५८ के प्रारम्भ में

(ग) अभी नहीं ।

Erosion near Kulai Bazar of Tripura

1028. Shri Dasaratha Deb: Will the Minister of Irrigation and Power be pleased to state:

(a) whether it is a fact that due to constant erosion the existence of Kulai Bazar of Tripura is being badly threatened; and

(b) if so, whether Government propose to divert the course of Dhalal River near the bazar?

The Deputy Minister of Irrigation and Power (Shri Hathi): (a) A small

portion of the Kulai Bazar area has been eroded.

(b) A scheme for the construction of groynes for checking further erosion of the Bazar by the Dhalai river has already been sanctioned at an estimated cost of Rs. 3,100.

Hospital at Kamalpur (Tripura)

1029. Shri Dasaratha Deb: Will the Minister of Health be pleased to state:

(a) whether any hospital has been established at Kamalpur (Tripura); and

(b) if so, the number of beds provided so far?

The Minister of Health (Shri Kar-markar): (a) No hospital has so far been established at Kamalpur (Tripura):

(b) Does not arise.

Postal Divisions in Assam

1030. Shri L. Achaw Singh: Will the Minister of Transport and Communications be pleased to state:

(a) the number of divisions within the Assam Postal Circle;

(b) whether the Divisional Superintendents visit the Post Offices under their jurisdiction regularly; and

(c) whether there is any proposal to form a separate Postal Division of Manipur Territory?

The Minister of State in the Ministry of Transport and Communications (Shri Raj Bahadur): (a) Five Divisions.

(b) Yes.

(c) The matter has now been taken up for examination.

Manipur State Transport

1031. **Shri L. Achaw Singh:** Will the Minister of Transport and Communications be pleased to state:

(a) the total value of claims so far paid by Manipur State Transport to Manipur traders from 1955 for the loss of their goods; and

(b) the total number of claims at present under consideration?

The Minister of State in the Ministry of Transport and Communications (Shri Humayun Kabir): (a) and (b). The Manipur State Transport has been working as Out-Agency contractors for the North-Eastern Railway at Imphal and all claims for loss of goods in transit are met by that Railway. The Manipur State Transport only issues "shortage" certificates at the time of delivery, whenever any shortage of goods is detected. A statement showing the number of such certificates issued by the Manipur State Transport during the period from the 1st January, 1955, to the 19th August, 1957, and the value of the goods for which they were issued is laid on the Table of the Lok Sabha. [See Appendix III, annexure No. 147.]

Commercial Clerks and Commercial Inspectors

1032. **Shri Assar:** Will the Minister of Railways be pleased to state:

(a) whether it is a fact that the Commercial Clerks' upgrading was

cut down in the "New Deal" on the plea that Commercial Inspectors posts are open to them;

(b) if so, what percentage of Commercial Clerks are working as Commercial Inspectors;

(c) whether this percentage covers the cut made in Commercial Clerks' upgrading;

(d) if not reasons therefor;

(e) whether these posts are exclusively reserved for Commercial Clerks; and

(f) if not, the reasons therefor?

The Deputy Minister of Railways (Shri Shah Nawaz Khan): (a) No.

(b) to (d). Does not arise.

(e) No.

(f) The Commercial Inspectors' cadre provides an avenue of promotion for Commercial Clerks as well as certain other categories.

Railway Accidents

1033. **Shrimati Ila Palchoudhuri:** Will the Minister of Railways be pleased to refer to the reply given to Unstarred Question No. 689 on the 17th August, 1957 and state:

(a) the causes of the two Railway accidents mentioned therein; and

(b) the estimated loss to Railway

The Deputy Minister of Railways (Shri Shah Nawaz Khan): (a) and (b).

Description of the accident	Cause of the accident.	Approximate cost of damage to Railway property.
(1) Collision between B. 12 Up and No. M. 22 Up Suburban Local trains between Wadala Road and Sewri stations of the Central Railway on 2.6.1957.	Failure of the Guard and Motorman of No. M. 22 Up to follow the procedure to be observed after passing an Automatic Signal at danger.	Rs. 47,770

(2) Head on collision between No. 3 Dn. Pathankot Express and No. W. 20 Up Goods train at Chata station of Central Railway on 22.8.1957.

Failure on the part of the driver of the leading engine of No. 3 Dn. Express to notice the positions and aspects of the Down approach signals of Chata and thus passing them in the danger position.

Rs. 25,900

अमरिया में डाकघर

१०३५. श्री मोहन स्वर्ण : क्या परिवहन तथा संचार मंत्री यह बताने की कृपा करेंगे कि :

(क) क्या यह सच है कि जिला पीलीभीत के अमरिया नामक स्थान में केवल एक ही डाकघर है जिस के अन्तर्गत काफी बड़ा क्षेत्र है ;

(ख) यदि हां, तो क्या बलिया गांव में एक डाकघर खोलने का कोई प्रस्ताव सरकार के विचाराधीन है ; और

(ग) यदि हां, तो उस में कितना समय लग जाने की सम्भावना है ?

परिवहन तथा संचार मंत्रालय में राज्य-मंत्री (श्री राज बहादुर) : (क) अमरिया के अतिरिक्त विभागीय शाखा डाकघर द्वारा ७६ गांव सेवित हैं, जिन का कुल क्षेत्रफल ६५ वर्गमील है और आबादी लगभग २०,००० है ; इन में १५ छोटे गांव भी सम्मिलित हैं । इन में से १२ गांवों में डाक रोज आती-जाती है और शेष गांवों में डाक सप्ताह में दो बार बंटती है । द्वितीय पंच-वर्षीय योजना-काल में इस जिले में जहां आवश्यक व उचित प्रतीत होगा नये डाकघर खोल कर तथा वितरण-कर्मचारियों की और अधिक नियुक्ति कर इस डाकघर के अधिकक्षेत्र (Jurisdiction) के कम किये जाने की आशा है ; साथ ही इस डाकघर द्वारा सेवित गांवों में डाक-वितरण कार्य में भी सुधार होने की सम्भावना है ।

(ख) बलिया गांव में डाकघर खोलने के प्रस्ताव पर विचार किया गया था,

परन्तु डाकघर खोलने की विद्यमान नीति के अनुसार इस गांव में डाकघर का खोला जाना उचित नहीं समझा गया है ।

(ग) यह प्रश्न नहीं उठता ।

Kangsabati River Project

1036. Shri Subodh/Hasda: Will the Minister of Irrigation and Power be pleased to state:

(a) whether it is a fact that the Kangsabati River Project in West Bengal has been dropped from the Second Five Year Plan; and

(b) if so, the reason therefor?

The Deputy Minister of Irrigation and Power (Shri Hathi): (a) No, Sir.

(b) Does not arise.

Tungabhadra Project Staff

1037. Shri Warior: Will the Minister of Irrigation and Power be pleased to state:

(a) whether workers from States other than Andhra and Mysore have been retrenched from the Tungabhadra Project; and

(b) if so, their number?

The Deputy Minister of Irrigation and Power (Shri Hathi): (a) Yes, Sir.

(b) 24 in the Irrigation Branch and the Workshop of the Tungabhadra Project. Similar information in respect of the Hydro-electric side of the Project is not available.

Railway Watch and Ward Staff

1032. **Shri Subodh Hasda:** Will the Minister of Railways be pleased to state:

(a) whether Government are aware of the fact that there is inadequate recruitment in the Watch and Ward Department in the South Eastern Railway from the Scheduled Tribes to fill up the reserved quota for the last two years; and

(b) if so, the reasons therefor?

The Deputy Minister of Railways (Shri Shah Nawaz Khan): (a) Yes.

(b) Due to non-availability of sufficient number of suitable candidates.

मोटर दुर्घटनायें

१०३६. श्री नेक राम : क्या परिवहन तथा संचार मंत्री यह बताने की कृपा करेंगे कि :

(क) हिमाचल प्रदेश के केन्द्रीय शासन के अधीन भाने के बाद से वहाँ कितनी मोटर दुर्घटनायें हुई और प्रत्येक दुर्घटना में कितने व्यक्तियों की मृत्यु हुई अथवा कितने घायल हुए ;

(ख) क्या दुर्घटनाओं के कारणों के सम्बन्ध में कोई जांच की गई है ; और

(ग) इन दुर्घटनाओं की जांच करने के लिये हिमाचल प्रदेश प्रशासन द्वारा नियुक्त की गई परिवहन मंत्रणा समिति की रिपोर्ट पर सरकार ने क्या कार्यवाही की है ?

परिवहन तथा संचार मंत्रालय में राज्य मंत्री (श्री हुमायून कबीर) : (क) जब से हिमाचल प्रदेश यूनिन टेरीटरी बना है, चार मोटर दुर्घटनायें (accidents) हुई हैं। हर एक दुर्घटना में मरे हुए या घायल व्यक्तियों की तादाद इस प्रकार है।

मृत व्यक्ति	ज़ख्मी व्यक्ति
१. ५	१३
०ई नहीं	कोई नहीं

मृत व्यक्ति	ज़ख्मी व्यक्ति
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३. कोई नहीं	कोई नहीं
४. कोई नहीं	३ (मामूली चोटें पड़ती हैं)

(ख) हर दुर्घटना के बारे में पूरी तौर पर पूछ-ताछ की जाती है।

(ग) इन दुर्घटनाओं की जांच के लिये हिमाचल प्रदेश हकूमत द्वारा कोई ट्रांसपोर्ट एडवाइजरी कमेटी मुकर्रर नहीं की गई। लेकिन उन्होंने इस मामले की जांच के लिये बड़े भ्रफसरों की एक एक्सपर्ट कमेटी नियुक्त की है और इस कमेटी की सिफारिशों के मुताबिक हकूमत द्वारा ट्रांसपोर्ट डिपार्टमेंट को हिदायतें जारी की गई हैं। इन हिदायतों की एक लिस्ट सभा की मेज पर रखी जा रही है। [बेजिथे परिशिष्ट ३, अ. ६, सं. १४८].

Himachal Pradesh Transport Authority

1040. **Shri Nek Ram:** Will the Minister of Transport and Communications be pleased to state:

(a) whether it is a fact that the drivers, conductors and cleaners employed by the Himachal Pradesh Administration Transport have not so far been confirmed in spite of the fact that many of the other staff and officers working in the offices have already been confirmed; and

(b) if so, the reasons therefor?

The Minister of State in the Ministry of Transport and Communications (Shri Humayun Kabir): (a) Yes.

(b) The question of confirmation of drivers, conductors and cleaners is under active consideration of the Himachal Pradesh Administration and a decision is expected to be taken very soon.

MOTION FOR ADJOURNMENT**DROUGHT CONDITIONS IN CERTAIN PARTS
OF WEST BENGAL**

Mr. Speaker: I have received notice of an adjournment motion:

"Serious situation obtaining in the districts of Twenty-four Parganas, especially in the Sunderbans, Howrah, entire Nadia, Birbhum, Bankura and parts of Midnapur and Hooghly of West Bengal due to terrific draught resulting in stoppage of entire agricultural operations and complete unemployment and loss of purchasing power for greater part of the population, which together with the rise in prices led to starvation and wide-spread famine and the failure of the Government to take adequate measures for relief."

Failure of which Government?

Shrimati Renu Chakravartty (Bashirhat): Central Government. Because the State Government has clearly stated that they have absolutely nothing in stock as far as the relief operations go. Now, the position is, although the Central Government has, time and again, been stating that they have taken measures so that the price of rice may come down, all throughout West Bengal, we find the price of rice is rising. In Calcutta it is Rs. 30, in Kalighat it is 30 and in Canning 27. On top of this, there is terrible draught and during this month, agricultural labour is not able to get any work. Even the middle peasantry is unemployed with the result that in Calcutta I have seen families are seen coming away from these areas to Calcutta. The situation has become so serious that the people have no purchasing power. Immediate relief and dole is necessary more than modified rationing. In the modified ration shops, there is a little rice. But, the people having no purchasing power, that is going into the black market. While there are stocks with the rice millers, they have not been taken. That which is given to the

shops is going to the black market. There is need for immediate relief in the form of doles because the people have no purchasing power. That is why the Central Government has to rush to their help. Without that, the State Government is helpless.

The Minister of Food and Agriculture (Shri A. P. Jain): It is obvious that this is entirely a State subject. Nonetheless, because a few points have been raised, and I can appreciate the anxiety of the hon. Member very well, I would like to say a few words.

So far as the Centre is concerned, it has been supplying large stocks of wheat and rice to the West Bengal Government. We have been supplying about 40 to 45,000 tons of wheat per month, which is a big quantity. In the month of July, we supplied them 15,000 tons of rice which, again, is a very substantial quantity. They have now begun a system of issuing identity cards on the basis of which wheat and rice is being issued.

Shrimati Renu Chakravartty (Bashirhat): Only 5 per cent. have received the ration cards.

Shri A. P. Jain: Any malpractices which were existing before, they are being controlled. So far as procurement is concerned, a couple of days ago, we have authorised the State Government to procure 2 lakh maunds of rice from the millers and traders. I had a telephone from Dr. B. C. Roy yesterday evening. He said that he had already received returns for about 60,000 maunds of which he has taken possession. Other stocks are being taken possession of. It is all the responsibility of the State Government. Whatever the State Governments have asked, we have tried to give. I can assure this House that Dr. B. C. Roy is very vigilant and trying to do everything that is possible. I know there are difficulties in West Bengal. Prices are high. All that is humanly possible is being done by the State Government.

Mr. Speaker: With respect to all these adjournment motions, which are

[Mr. Speaker.]

mainly State subjects hereafter, I would request hon. Members who table adjournment motions to append a statement also showing how the responsibility of the Centre has not been discharged. I am not concerned here however serious it may be, if it is purely a State subject. I am not competent to give advice to this Government or censure this Government for not having done what the States ought to do. What exactly are the serious things here? Draught and other things: neither this Government nor the State Government is responsible. Of course, relief measures can be taken. There have been famines in South India and Rayalaseema. The State Governments ask for help from the Centre. They open gruel centres for food distribution, open a number of irrigation works to provide employment, etc. The initiative has to come from the State Government. There is the State Assembly. I understand there was an adjournment or so in the State Assembly yesterday.....

Shrimati Renu Chakravartty: Not this; that is U.P.

Mr. Speaker: In all such cases, all of us are jointly interested, both the Centre and the States, in seeing that not a single man suffers on account of want of rain or want of employment. To the extent that the Centre can rush relief, it must be openly stated here. Otherwise, the whole discussion will become absolutely infructuous.

Shrimati Renu Chakravartty: May I point out, Sir, that this is a matter for the Centre, because, the hon. Minister says that he has given enough wheat and enough rice. This is his statement. But the position is that even in a city like Calcutta, hardly 5 per cent. of the people have received what he called identity cards and the people are not able to get wheat, although the Centre has sent wheat. In spite of anything that is being given by the Centre, about which he is getting complacent reports, people are suffering and so

we at the Centre have to raise it at the floor of this House. That is why I have raised.

Mr. Speaker: Hon. Members will make sure from their counterparts in the local legislatures.

Shrimati Renu Chakravartty: It is not in session.

Mr. Speaker: Each hon. Member has jurisdiction over an area in which there are at least five members in the State legislature. Whether they are in session or not, so far as the facts are concerned, they can ascertain from the local Government. If they wanted more information and if this Government refused to give.....

Shri T. K. Chaudhuri (Berhampore): May I point out one difficulty? The Bengal State legislature is not in session. We have asked for a session of the State legislature. That is not granted. Whom are the people to approach?

Mr. Speaker: Can I give a directive that the State legislature ought to be called?

Shri T. K. Chaudhuri: No, no. That is not the point.

Mr. Speaker: I am very sorry. This is entirely a State subject. In all such cases where the Centre comes to the help of the States in the interests of the country as a whole, the initiative must come from the State. The hon. Member must take it up with the State legislature. If, in spite of any request from the State, the Centre is indifferent or callous,.....

Shri T. K. Chaudhuri: May I point out that under the Constitution, the Centre is responsible for giving adequate supplies to the States all over the country. It does not depend on the States at all.

Mr. Speaker: Has the State asked for it?

Shri T. K. Chaudhuri: Even if there is no State Government, the Centre

is responsible. We represent the people.

Shri A. P. Jain: I think the constitutional position as stated by the hon. Member is wholly incorrect. The Centre tries to help. There is no constitutional responsibility on the Centre. We have tried to procure; we have supplied to the extent possible. In this particular case, we have met all the demands of the West Bengal Government.

Mr. Speaker: I am not going to allow a discussion....

Shri T. K. Chaudhuri: That constitutional position is not correct. The Centre is responsible....

Mr. Speaker: Order, order. There is no constitutional responsibility. That is my view. There is no constitutional responsibility on the part of the Centre. With respect to certain matters wherein measures have to be adopted for the whole of India, to that extent the Centre is clothed with responsibility to gather and distribute. Hon. Members do not care to ask their own Ministers in the locality as to what steps he has taken and whether the Centre has refused to come to their help. They have not done so.

Shrimati Renu Chakravartty: They have told us that unless the Centre gives, they can't help and that they have not got one grain.

Shri T. K. Chaudhuri: I may also tell you, Sir, that the Food Minister there makes all sorts of statements about the Centre. We inform the Central Ministers. They don't....

Mr. Speaker: Order, order. This House won't give an opportunity for such complaints. Let all of them appear if the province is not managed properly. If hon. Members have come to that conclusion, let them ask the majority of the people to complain and the Centre will see what it has to do. Till that, the Centre can't interfere unless there is a breakdown of the Government. Hon. Members are here to place before the House

that there has been a breakdown and the Centre has to take charge.

Shri T. K. Chaudhuri: We are not complaining against the State Government.....

Mr. Speaker: Order, order. It is open to the States to ask the Centre to supply and it is then open to the Central Government to say, "I am not able to procure more, I have asked the State Government." That is not the case. The hon. Minister has said, "I have done my best; there is absolutely no more asked for." Even the State Government has been given authority to procure. They have procured 60,000 maunds. In spite of that, if a general complaint is made that everybody is dying and there is starvation, it is a matter to be looked into by the State Governments. I will proceed. I refuse to give my consent to this.

PAPER LAID ON THE TABLE

AMENDMENTS TO DISPLACED PERSONS. (COMPENSATION AND REHABILITATION) RULES.

The Parliamentary Secretary to the Ministry of Rehabilitation and Minority Affairs (Shri P. S. Naskar): Sir, on behalf of Shri Mehr Chand Khanna, I beg to lay on the Table, under subsection (3) of Section 40 of the Displaced Persons (Compensation and Rehabilitation) Act, 1954, a copy of the Notification No. S.R.O. 2515-R/Amdt/XVII, dated the 3rd August, 1957, making certain amendments to the Displaced Persons (Compensation and Rehabilitation) Rules, 1955. (Placed in Library See No. S-231/57)

WEALTH TAX BILL—contd.

Mr. Speaker: The House will now resume further discussion of the Wealth-Tax Bill, 1957. Out of the 5½ hours allotted for the general discussion, 3 hours and 54 minutes have been availed of and 1 hour and 36 minutes remains. I understand that the Finance Minister may require half an hour. So, I will call him

[Mr. Speaker.]

round about 1.15. After the general discussion, the clause by clause consideration and the third reading will be taken up, for which 3 hours and half an hour have been allotted respectively.

Shri Heda (Nizamabad): There is one criticism that is levelled against wealth tax and that is since it is a tax on wealth it will affect big business and it may go against the provisions of the Constitution. Let us first find out whether this tax will go against what we may term as 'big business'. Let us find out what are the classes of people that will be affected by this Bill and to what extent. The Bill deals with about 30,000 to 35,000 cases in a population of about 40 crores, which is the population of our country. The figure appears so small, say, one in 10,000. Even this class, small as it is, cannot have a grouse against the Bill because the Finance Minister has already given a concession to them in the income-tax rates—they get one whole slab. These people, according to the Finance Minister, have been benefitted up to the tune of Rs. 7½ crores. Now let us find out how much wealth tax he is going to collect from this class. The original estimate of the Finance Minister was Rs. 15 crores and it has now been reduced to Rs. 12½ crores. We will have to find out whether we will be able to collect even this Rs. 12½ crores.

I find that wealth in our country is not generally giving that much return as it give in other countries. In my tour of the United States I tried to study this particular aspect and to my surprise I found that in spite of the prosperity and in spite of so much of wealth there, real estates and shares in different corporations are giving far more returns than the wealth in our country. In our country there is wealth which does not give any profit at all and there is wealth which gives only 2-3 per cent of profits. Of course, there is some wealth which gives more than 6 per

cent of profits. Now the point is: should we make a differentiation between these various types of wealth, that is, wealth which gives 6 per cent returns and wealth which is unproductive, which does not produce further wealth? Should we not tax that unproductive wealth? Or should we allow it to be accumulated, as it happens now? I think the wealth which is unproductive, unremunerative, which wealth gives less returns, will be hard hit by this tax. Therefore, there will be a tendency to transfer that wealth into wealth which will give better returns, say, more than 6 per cent. That is the minimum return which we must expect on wealth.

Then, the wealth tax will not be more than 5 per cent of the profits. For the first slab it will only be ½% of the total wealth. Therefore, it will be hardly 5 per cent of the net profits on that particular wealth.

Yesterday, Mr. Masani and Mr. Morarka argued about the tax on companies. They say that by taxing the companies we are taxing the poor people who hold shares in those companies, who may not come under the orbit of this wealth-tax; there may be many shareholders—quite a number of them—who hold 5, 10 or 100 shares, who do not pay any wealth-tax, but because the companies in which they hold shares will be paying the wealth-tax, therefore, these people will also be paying or made to pay the wealth-tax indirectly. That was their contention and that contention appears to be a reasonable one. But what is the fact? When a gentleman purchases a share, he does not take into account the profit and loss of that company. In fact, what he is interested in is the market price of those shares. If the market price of a share today is Rs. 100 and if he thinks that it is likely to go up to Rs. 110 or Rs. 115 tomorrow, he will purchase those shares and invest money in that company. If the market price remains still, he is happy. So, these small shareholders are not primarily interested in the

huge profits or losses of those companies. They are primarily interested in the dividend that is paid and in the price of the share. When the news about the introduction of this Bill came, there was fluctuation in the share market in Bombay, Calcutta, Hyderabad and other places. But what do we find now? The price has come back to the normal level. When they have found out that the tax on companies will not be more than $\frac{1}{2}$ % and that this $\frac{1}{2}$ % will not come to more than 5 per cent of the net profits, the prices have come to the normal level. Therefore, if we go by these prices, we will find that these small shareholders will not be hit by this tax simply because they are not paying the wealth-tax but only the company, in which they have invested their money, would be paying the tax. They will not be affected at all.

The second point was that there may be persons who would be paying double tax in the sense that the company would be paying tax and they also would be paying tax in the share capital when their personal income is assessed. That is quite true. But we have never given up what we call double taxation. Even under the income-tax law we have double taxation. When we have it under the income-tax law, we can have it under the wealth-tax law also because the principle behind both of them is practically or nearly the same. Here also, when a person holds a share, its price will not be calculated according to the percentage of the total wealth of the company; the price of the share that he holds will be calculated according to the market price. Again, we find that the wealth tax that is levied on the companies is on a different basis. It is on the total wealth of a company. But when persons are taxed, it will be on a different basis. on the basis of the market price of those particular shares.

Even in this case the Finance Minister, or rather the Select Committee, has given one big concession and that concession is that the total

quantum of the tax on anybody will not be more than $1\frac{1}{2}$ per cent. That has been put as the ceiling. In other words, it means that if a person pays on his personal assessment $1\frac{1}{2}$ per cent, which is the highest slab of wealth tax, then he will get rebate to the extent he holds shares in the companies, which have already paid wealth tax because since you are already paying $1\frac{1}{2}$ per cent, if the company also pays $\frac{1}{2}$ %, the total will come to 2 per cent. So, here we find that relief has been given. In this connection, it has been stated that we are taxing the people more than 100 per cent of the income. It was really interesting that such a good number of representatives of big business who appeared in the Select Committee, and whose evidence is printed and circulated to us, put forward this plea not to tax them more than 100 per cent. What does it mean? When they say this, there is one big lacuna that we are not able to catch. The lacuna is that while most of the income is unearned, there is a share of earned income also.

Mr. Speaker: Have both the Ministers in this Ministry got business elsewhere?

The Deputy Minister of Irrigation and Power (Shri Hathi): Yes, Sir. The Finance Minister asked me to deputise for him.

Mr. Speaker: I understand. At least the Deputy Minister should be here.

Shri Hathi: He is there in the Rajya Sabha. The Appropriation Bill is going on there.

Shri Nagi Reddy (Anantapur): One of them can be in the other House and one can be here.

Mr. Speaker: That is what I thought. Possibly, the one is assisting the other in the clause-by-clause consideration.

Shri Nagi Reddy: This is appropriation work. There is no assistance.

Mr. Speaker: The other House cannot generally discuss the Bill. It

[Mr. Speaker.]

is the Appropriation Bill they concentrate on and then send resolutions, and therefore they pay greater attention to the Appropriation Bill than even to the Budget.

Shri Heda: In this memorandum that has been supplied to us, they have calculated unearned income at the rate of six per cent. When one has a wealth of Rs. 5 lakhs, his income, after deducting income-tax and wealth tax, would be Rs. 21,948. When his wealth is Rs. 15 lakhs, it comes to Rs. 31,648. As wealth becomes more and more, the income dwindles. When one has got Rs. 90 lakhs, at the rate of six per cent he will pay so much in the form of income-tax and wealth tax that he will have to pay Rs. 5,352 more than his net wealth. If the wealth is Rs. 2 crores or more, he will have to pay a bigger slice which is more than the unearned income from his wealth.

Here they have calculated at the rate of six per cent, but as I have said earlier, there are instances where wealth does not give even six per cent, it gives hardly two or three per cent. Some persons gave me instances of such wealth, and naturally the incidence of taxation on them may be even more than 200 per cent. But the point is whether we want to discourage such wealth which is not remunerative, which is not productive, which does not give enough returns, or whether we want to encourage it. The principle in land reforms is that we do not want absentee landlordism. He who does not till the land should not be in possession of the land, or ownership of the land. If we apply a similar principle, or at least the spirit behind it to taxation policy, our policy should be that he who does not earn anything and only wants to live on unearned income from the property that he is holding would be satisfied even with a return of one per cent, but the country cannot be, because in our planning we want that our wealth should produce more and more.

Therefore, I welcome this wealth tax because this tax will discourage that wealth which is unremunerative, which is giving only two or three per cent in return, and in any case less than six per cent of unearned income, and that wealth will not be hit which gives us more than six per cent.

In practical life rarely do we come across a person who has only unearned income except some feudal elements, but so far as big business is concerned, generally they always have a very good portion, rather in many cases a major portion of earned income, and he who has got earned income will not be so hard hit, and therefore this tax will not be paid by him very much.

Now I come to my last point. I think that what happens generally in the case of other taxes may happen here also. What happens is that when a new tax comes, for the first year, and many times not even for the first year, the tax burden falls entirely upon the particular interests concerned, but later on they so adjust their business and management that the tax burden is shifted and taken as part of expenditure and becomes a part of the expenditure, and therefore, if a company is earning ten, nine or even six per cent, it will manage the purchase and sale and the whole management in such a way that the tax is met, and if nothing is possible anywhere, the price of the finished products will be increased to such an extent that the tax burden ultimately goes on to the consumer and the companies or the individuals who are in charge of the particular factories, industries or trade are not hard hit. I am quite sure the same thing will happen here.

What does it mean? It will mean again that the wealth which had been giving us a particular yield, say about six per cent, will start giving us 6½ per cent, or that the wealth that had been giving ten per cent

yield will start giving us 10½ per cent. So, I feel that after the levy of this tax, instead of the wealth being taxed, the power of wealth of producing further wealth or the margin of profit or quantum of returns will be increased, and I am quite sure that after its operation for the next five or ten years we will find that this taxation will not be felt as a burden by any class who hold sizeable wealth.

Dr. Krishnaswami: (Chingleput): Would you allow me to pay a tribute to the Chairman of the Select Committee? My hon. friend Shri A. K. Sen presided over the deliberations with great dignity and his grasp of legal principles and his sense of courtesy helped to minimise tension and steer us clear of the shoals. I would like to point out that I am deeply thankful for having been a Member of the Select Committee. The Select Committee is a great teacher of modesty and patience, and I think that that must be the experience of every hon. Member who has been there.

What is the justification for levying a tax on wealth? I think there is every justification for levying this tax on wealth. In an economy where the State is levying duties on articles of mass consumption, it stands to reason that the well-to-do also should sacrifice. Progression in the rates of income-tax does aim at getting more from the well-to-do, but there are two disadvantages in having an excessive degree of progression. It reduces the incentive for additional effort, particularly in those cases where extra effort is reflected in incomes. Skilled lawyers, skilled surgeons and business managers do not work so hard, and as a result of that we have a premium put on leisure. The whole scale of preferences in the country, particularly in the ranges of ability which are scarce, will move in favour of a steady income and more leisure. This type of preference, while it might be all right in an advanced economy, has no place

whatsoever in a country which is struggling hard to develop rapidly.

Secondly, income-tax, however progressive, cannot distinguish between a person who has a larger income than the average and one who, in spite of having a larger income, also possesses property. The preferential advantage which an individual enjoys over his neighbour by the possession of property has to be taken into account and that is the rationale behind this taxation on wealth. Yet, this taxation on wealth irrespective of an addition to income from that wealth might be injurious in certain respects.

I have great respect, and it is with great reluctance that I have expressed my dissent on three points from the decisions of my colleagues in the Select Committee. There were, of course, other differences of opinion, but they were not a major nature.

The important gap in the present measure is its failure to make a distinction between those assets which are socially desirable and those assets which are not. I can never see any valid reason why a limit should have been placed on the tools and equipment to be used by professions. The professions and vocations have the tools and equipment as aids to their skill. And, in addition to their having these as aids to their skill, they also contribute to the enriching of the community in the area of their operation. A skilled surgeon without his clinical equipment would not be so skilled as he is. Indeed, the Select Committee had rightly, in my opinion, decided to exempt books which are aids to the lawyer's skill. Therefore I see no justification whatsoever why the surgeon's tools and implements should not be exempted altogether. Some people suggest that the rates of obsolescence of a surgeon's equipment are very very high. Indeed, if that is so, that only strengthens the argument that the tools and equipment of the surgeon should be exempted altogether. For, if the rates of obsolescence are very high,

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then in a strictly economic sense it follows that the equipment of a surgeon is not an asset but is being used for current consumption: in other words, it should not be taken into calculation when we are calculating the net wealth of the individual.

What is going to be the effect of such a tax on the professions and vocations in our community? I think the Bill as it originally stood did attempt to make a distinction between tools and equipment used for profession and the possession of wealth as such. We started by stumbling on the token figure of 2,500, then shifted to 5,000 and eventually reached the figure of 10,000 with which we seem to have been satisfied. But I am pointing out that once we have decided to make a distinction between tools and equipment which are used by a profession and the possession of idle wealth as such, we should place no limit whatsoever on the tools and equipment to be used by the professions and vocations as such.

As a result of this tax what will happen is that the surgeons who moved to smaller towns and set up their equipment will think now of shifting over to larger towns where they can get a greater amount of income and thus be able to pay the wealth tax. In other words, the countryside will be deprived of skilled surgeons and others; and it is a wrong thing from the point of view of taxation policy especially that we should have thought of placing such a low limit. Indeed, Mr. Speaker, a taxation measure is different from other measures. Generally, in a taxation measure no one goes to question the basic assumptions of a taxation measure. Year after year we have only amendments relating to the rates and schedules. Nobody questions the basic principle. Therefore, if we once make a mistake in basic principle, there will be a repetition of the errors and society would have to pay grievously for the manner in which we have made this error.

I now pass on to the second point on which I hold strong views and for which I hope to be forgiven by some of my friends who hold different views. I do not think it is right in principle to ask on economic grounds to tax companies. There is a fallacy in this taxation of companies. I understand an individual possessing wealth. By the fact of his possessing the wealth he is able to enjoy a preferential advantage over his neighbours and thus promote an unequal society. But a company possessing assets is an entirely different proposition. A steel mill having assets means its technical conditions that govern the possession of such assets. And besides a larger mill is not necessarily the most efficient in character.

There is also the point of double taxation which was referred to. We tax the assets once in the hands of the company and again in the hands of the individual. To this, I think strong objection was taken. But my point is that we have gone quite a long way in recognising this injustice. What was the decision of the Select Committee if it was not to redress this injustice? But then it confined its attention only to those in the 1½ per cent brackets. Government and the Select Committee recognised the injustice that is being done, and therefore they attempted to rectify this injustice.

And in recent times, immediately after the Report of the Select Committee was placed before the House, we seem to feel that we should also rectify the injustice to the small shareholders. Only we want to do it through a circuitous device, a sort of face-saving device as it were. In principle we have admitted it, but by giving relief to small shareholders through Income-tax we have recognised that wealth tax on companies is double taxation and is therefore unjust.

Let me work out the economic implications of this measure. We have now decided to raise the exemp-

tion limit of unearned income by 1,500. In other words, an individual who has Rs. 80,000 worth of shareholding in a particular company would possibly benefit by this measure. I have tried to work out the implications of this measure and I am in doubt as to whether the relief will be adequate or not, or whether the relief will be more than adequate. There are two assumptions on which we can work it. We can find out what is the wealth tax that he would pay on the thirty thousand shareholding and what is the tax rebate as a result of the exemption limit being given. If the relief given is more than what he would get by exempting from the wealth tax, then undoubtedly it is a serious problem. For, the exchequer loses unnecessarily, and therefore this device is wrong from the point of view of the community. If the relief given is, however, less than what the company has paid on his share of equity, in the name of reason what is the relief that has been given to the small shareholder? It is a difficult question, and I think a more straightforward way would be to recognise that double taxation by the same authority is unjust and therefore relief should be given to all shareholders, irrespective of the wealth tax.

Many arguments have been introduced about company. The Select Committee, to whose conscientious endeavour I have already paid a tribute, was very much exercised over this question. The concessions given to companies which make losses, the concessions to new companies are all referable to the sensible principle that a wealth tax should not be paid out of capital but only out of income. In other words, a tax on wealth is meant to be paid out of accruals from income and not out of capital. In fact, that is the basic principle which dictated the Select Committee to adopt this strong attitude on this matter.

I do not want to refer to many of the concessions that have been given, in detail. We have decided to exempt

certain companies, to give certain exemptions to them. When we have chosen a wrong principle, naturally many exemptions come into the picture. The argument put forward is that revenue considerations are important, or are dominant. I agree that they are important, but they are dominant. The equity and the efficiency of a tax measure are more important than merely revenue considerations. If it was a case of having only revenue, one would view with equanimity the taxation of Railways, a wealth tax being put on Railways. But naturally that, I hope, would be scouted as something impractical and wrong altogether and therefore we are not thinking of it.

All that I suggest is that this tax on companies is not really very useful and certainly is going to restrict the development of those companies which are inclined to move very fast and in whose development we are very much more interested.

I shall now refer to a question of major principle which has been referred to by my friend Mr. Heda this morning. And that is this point which has been causing so much controversy I am not guided by the memorandum presented by the Employers' Association I do not need to be guided by them, because I have worked out independently my figures, and I think I can rely on my judgment on this matter. I feel that the objective of such wealth taxation as distinct from a capital levy and Estate Duty is to tax wealth and the assumption is that it will be paid out of accrued income from wealth.

Pandit K. C. Sharma (Hapur): Not necessarily.

Dr. Krishnaswami: Then I must refer my friend to Mr. Kaldor.

This is the reason for keeping the tax rates low and also making it part of an integrated rate structure where income tax rates also do not exceed a specified limit. As soon as it goes beyond 100 per cent, the total tax payment for a person with a given

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gross income and a certain assessed wealth goes beyond 100 per cent of current income, the wealth tax and the income tax together constitute a continuing capital levy. And inasmuch as a person reducing his property will also reduce his income, usually the incidence of this tax can be highly arbitrary, capricious and drastic in certain circumstances. If our marginal rates of taxation swallow up not only income but also the assets year after year, we are putting a ceiling not only on income but also on capital.

Prof. Kaldor, who is quoted whenever it suits my hon. friends on the other side, on page 12 of his report on Indian tax reform has scouted this idea of having a ceiling on income and a ceiling on capital. In fact, no economist is likely to give currency to this idea, and I shall show how Japan had to rue the day when she did not take account of the economic factors and had to repeal a tax on wealth precisely because she did not take account of these factors

I consider that while it may suit certain social enthusiasts and advocates of what he calls supposedly equal income society to advocate such a sort of an idea, it certainly cannot be justified on economic and social grounds and, therefore, such a tax should be viewed with very great disfavour. In our own country, the Prime Minister, in the other place on the occasion of the consideration of the Second Five Year Plan, in a very forceful speech, pointed out that a ceiling on income was an irrational idea. When he had said it, I certainly felt that that must have been an idea which was accepted by other members of the Government. But the Government has, of course, to consider what its policy should be. It is rather strange that this aspect of the matter should not have been taken into account.

Let us also remember that no other country has permitted the annual

taxes to go beyond 100 per cent. In fact, in Sweden, a model of socialism, a model of a great welfare economy, they have certainly placed a limit of 80 per cent or thereabouts on the amount that can be collected from an individual year after year. No one has told me that Sweden is a reactionary State. In fact among the Scandinavian States, Sweden is one of the countries which has a high degree of progression in its income tax. And if Sweden can think that it is right to put a ceiling on the limit that can be collected by the tax-gatherer, I do not see any reason why we should not take lessons from her. We seem to be taking lessons from so many defunct economists that it is time that we also took lessons from those countries which are rational and which have pursued a rational policy.

I want to stress one or two aspects of this question. It will affect capital formation, because it is precisely in these sectors that a great deal of capital comes for risk taking and also for certain charitable institutions. It is not that these people are much more charitably-minded than others who have lower income. That is not the point. But they have the wherewithal to invest and take the initiative; and that is why it is necessary to find out how it will affect our society.

I can view with equanimity a little bit of the paint being knocked off the property of any individual if there were no deleterious consequences that would flow therefrom to society. But constituted as we are, with the difficulties facing us, it is extremely difficult for me to give credence to the proposition that public saving in our sector would mount up in such a manner as to arrest the rapid depletion of assets year after year.

In fact, it is a very strange thing that this point has been ignored by many of us who have been merely

considering this question. I believe that when we are considering this question of public saving, we ought to take into account how it is going to affect our economy. We are after all interested in the Plan succeeding. We are interested in greater amount of productivity, and some of the machinery, some of the weapons, that we use must be of such a character that there is what I would call a dynamic growth, as it were, given to this economy.

I said a minute or two ago that I was going to refer to the experience of Japan. Now in Japan also, they levied a wealth tax. There were certain great enthusiasts, whose knowledge of economic realities was not as great as their enthusiasm for the levelling process in society. And do you know what happened? Eventually, although the tax on wealth was imposed, it was given up because it was felt that year after year there was a depletion of economic assets in the economy of Japan.

I want to ask this Parliament this question—it is ultimately Parliament that has to decide on this matter. Do you want to have a gradual depletion of large assets which, incidentally, will lead to a diminution in the tax receipts in the succeeding year and also a reduction in value of assets due to the selling pressure? A man in the highest bracket when he sells property, will not be able to find a purchaser in the highest wealth bracket, because he would find that he would deplete a portion of his capital assets. Naturally, he would have to sell out to those in a somewhat lower bracket. And that would mean a reduction in the amount of revenue that accrues to the State.

Parliament has also to consider this question: do you want to redistribute wealth from year to year and obtain a diminishing revenue for the public exchequer or do you want to utilise this gigantic instrument of wealth tax as an instrument to develop, which taxes wealth and yet allows wealth to grow in the social entity?

This is a question which we have to face, because if we do not face it today, we will have to face it in another year or two.

I said a few minutes ago that Japan certainly was one of those countries which took to this experiment of a tax on wealth. It is good to tax the yield of an individual. In an inflationary economy, we have to have accruals from the income of these individuals. But we have also to realise whether we are going to have this tax levied in a manner which encourages social growth. And since Japan refused to recognise the lessons of history, it was forced to repeal the wealth tax.

Administrators might say that they are not going to yield, that they will not budge an inch, but economic realities are stronger and more persuasive than the speeches or utterances of administrators in office. Let that be remembered. I would like my hon. friends to realise that this experience ought to be borne in mind.

When I am appealing to Parliament and to my colleagues, I realise that I am doing so under certain handicaps. I have to appeal to them to recognise these problems as citizens of our country and to find out whether it is worth our while really having such a type of taxation which acts as a continuous capital levy. A capital levy has been scouted down in countries, but when it is not a continuous capital levy, it is not the numbers that count. One person say 450; Mr. Taraporevala says 600; I may put it at 800. Of course, the holders of large property are bound to be few, but it is the economic consequences to society that we have to take into account.

There was a reference made to the number of exemptions that has been given in this Bill. I tell you if we had decided to fix a certain ceiling on the amount of tax that we were going to collect from an individual, many of these exemptions could have been whittled down. We would have had a more rational structure.

[Dr. Krishnaswami]

We did not have any clear ideas as to what was meant by taxation of wealth and we tried our very best to grope our way through the dark. I, therefore, feel that the time has arrived when we should consider how we are going to introduce certain checks and certain restraints on the amount that we should collect.

Estate duty is, however, different from a tax on wealth. It is highly irregular and it occurs, I suppose, once in 20 or 30 years and during that time the individual would have time to arrange his assets. But, here, it is a different proposition whether it is a Hindu joint family or individual. The moment we decide to collect more than 100 per cent., it has deleterious consequences on our society.

In fact, I feel that if we had fixed a limit, we would have been in a better position to alter the amount of exemption and also to make it much better and much more rational. The Select Committee, as I pointed out, has devoted considerable thought to many other questions and where I have minor differences of opinion. Should I have the opportunity of catching your eye when the clause by clause discussion comes, I shall try to speak on these points.

Shri Nathwani (Sorath): Mr. Speaker, from the discussion that has gone on yesterday and today and from the notes of dissents, I find that the Bill, as it has emerged from the Select Committee, has been attacked from two sides for quite opposite reasons. There are friends who feel that by reason of the amendments adopted, the Select Committee has watered down the Bill and it would not serve the purpose. But, there are others like Dr. Krishnaswami and Shri Masani who feel that these amendments do not go quite far. It appears to me that though there were strong and honest differences in the Select Committee, this Bill, as it has emerged, represents the largest

measure of agreement on several questions involved in this measure.

Before I deal with some points of view, I would like to say a word about company taxation it has been urged on behalf of those friends who feel that the Bill has been watered down that the concessions in favour of new companies or losing companies were not justified. I think that there is a strong case for exempting the companies altogether from this taxation. It is not sound to treat individual wealth and companies' assets on par. The company's wealth is not the wealth of any individual, but it represents the accumulated savings of a large number of persons.

An attempt was made to show that only a few big persons are interested in these companies or that there are not a large number of persons who are interested in the companies. It is not so. Shri Masani cited some figures yesterday. I have got a table which shows that in respect of 54 companies there are about 3,30,000 shareholders whose individual holding is less than Rs. 10,000 each. Therefore, it is not a question of a few individuals. My friend, Shri Raju, yesterday suggested that there are some rich people who disguise their wealth in the form of companies and somehow or other escape taxation. It is difficult to deal with this kind of argument in the absence of proper particulars. I do not know how many such cases are there and whether it is not possible to tackle them in some other manner.

But the objection against taxation of companies is this that the whole wealth is employed for productive purposes. It has been said that we are taxing companies because it would yield a good deal of amount by way of revenue, say about Rs. 9 crores. Now, the amount is reduced by about Rs. 3 crores. Still it would yield about Rs. 6 crores. But I thought that industrial expansion in the private sector was also a part of

the Plan. Money is, of course, needed for putting through the Plan; but industrial development in the private sector is also a part of the Plan. Let us not minimise the importance of capital required for this industrial development.

It is said that about Rs. 720 crores has to be invested in the large-scale industries under the next Five Year Plan. Out of this sum of Rs. 720 crores, about Rs. 570 is to be in new investments and the balance on modernisation and rehabilitation of industries. Therefore, whatever amount you are going to take away by taxing companies would reduce the amount available for industrial expansion in the private sector. This is the argument why we thought that companies should altogether be exempted. There is the additional argument about double taxation. Personally, I feel that you cannot avoid this result. In fact, you are taxing twice; once in the hands of the company; again in the hands of the individual shareholders.

Under this Bill, an undivided Hindu family has to be assessed as a unit. But, when we come to find the net wealth of a coparcener, his share in the joint Hindu family property is to be excluded. Likewise, here also, the total wealth remains the same. It does not change hands; it lies where it was but still we are taxing it in the hand of individual owners.

Then my friends Shri Masani and Dr. Krishnaswami say that the overall taxation should not exceed 100 per cent of the total income. And, in this connection, it is said that the presumption underlying this tax is this that it should come out of the income of the wealth and it should not fall on the capital. Reference has been made to Mr. Kaldor's writings. This is one view.

I think Mr. Kaldor took a very mild view of the position. He was, perhaps, afraid of the opposition his recommendations may meet with. But, there is the other view also that an annual wealth tax might fall on capi-

tal also and, in this connection, I want to read out a passage from Mr. Crosland's book. In the chapter on 'The Distribution of Wealth', mainly based on Mr. Kaldor's recent fiscal writings, he says:—

"The possibility of an annual tax on capital, which would be in the nature of a small continuous capital levy, has been curiously little discussed by socialists, or even economists."

Then, he proceeds to say:

"In what little discussion there has been, the writers have usually assumed that anything called an annual capital or property tax would have very moderate rates, and would in practice, however assessed, be normally paid out of income. This could not be so today."

I want to emphasise this. Then he says:

"At present rates of surtax, even exceedingly modest rates of capital tax would quickly raise the total tax burden to above 20s. in the pound; and on all larger incomes the tax would necessarily be paid out of capital."

Then, he proceeds:

"And, of course, if the object is to influence the distribution of property, the tax would make no sense unless it fell on capital. Previous discussions, which have assumed payment out of current income, therefore, offer little help."

Therefore, some writers have conceded that this tax might fall on the capital and it has got to be paid out of capital.

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Then, Sir, there are other friends who thought that by making concessions in favour of certain classes of companies, and exempting certain assets from net wealth, the Bill has been watered down. Let me quote their actual words.

[Shri Nathwani]

My hon. friends Shri Ram Sabhag Singh and Mr. Malkote say that these exemptions have so greatly reduced the scope of the Bill that it may hardly be expected to fulfil the desired objectives. Mr. Achaw Singh says that if the Bill is accepted, the entire purpose of it will be defeated. Mr. Kar and Mr. Menon say: "As a result of these amendments, the Bill would become virtually infructuous." Why do they cry like this? Because they say that the annual yield would be substantially reduced. The hon. the Finance Minister said that the reduction would be of the order of about Rs. 3 crores. My hon. friend Mr. Kar was at pains yesterday to explain that the net loss would be about 50 per cent. Even assuming for the sake of argument that the net yield would be reduced, that is no reason to say that the objective of the Bill would be defeated or that it has become infructuous. They say so, because they take a very narrow view of the provisions of this Bill. They look at it simply from the annual yield of revenue, but forget the wider objective of the Bill.

As the Finance Minister has again and again stated, the objective of the Bill is to broad-base the whole tax structure and to have it as a part of one integrated scheme so that in times of stress or difficulty it can be stretched for a temporary period. This is a great advantage. Secondly, it would also serve to check tax evasion to some extent; and certainly there is one more aspect of the matter that this tax would tend to mobilise any unproductive wealth into productive channels.

Lastly, we are not to forget its psychological effect. Some friends say that its objective is to bring about a socialist or egalitarian society and this will be defeated by the amendments. Even if these amendments were not to be incorporated, still this tax by itself is not intended to bring and will not bring any egalitarian or socialist pattern of society. Let us be clear about that. But there would be

one psychological effect and from that point of view this Bill has its utility. What is the test of an egalitarian society? Not merely equality of wealth, but a feeling of justness and contentment that it spreads among its members. This measure is likely to create a sense of contentment amongst the people who will not grudge the few rich their wealth, provided the latter pay this tax properly.

I want to say something about exemption of palaces of rulers and also their jewellery. It was asked by Mrs. Ray and some other Members yesterday as to why the Select Committee has introduced this exemption. As a member of the Select Committee I feel it my duty to answer that question. I agree with Pandit Bhargava and the Finance Minister that there is nothing in the Constitution or even in the covenants which enjoin this House to grant this; but there is no reason why we should not classify them separately and give preferential treatment if there are other reasons. Such reasons are to be found in the past history of the rulers, the way they surrendered their sovereignty, the assurance which has been given to uphold their dignity and prestige and lastly the character of the property which is sought to be exempted. These are huge costly palaces. There is no market for them. It is not alienable; it cannot be transferred by the rulers. Lastly I would say a word. Most of the Members seem to be unaware of the fact that we are not trying for the first time to give them a preferential treatment of this nature. Because, I find that for the purpose of calculating their income-tax, the annual letting value of such palaces is exempted from income under a concession given under the Indian Income-tax Act. This concession is there for the last seven or eight years. We are not creating a precedent. It is already there. We are merely following it.

There are some other points on which if I get a chance I would like

to speak when the clause by clause discussion takes place. But I hope that the Bill as it has come before us is not the last word. In the light of experience which we are likely to get it may be revised and I hope and trust that in the light of that experience, suitable amendments, either way, will be brought about.

Mr. Speaker: Shri Narayanankutty Menon. I am sorry there is no time for other Members to take part in the General Discussion. However, I shall call them on clause-by-clause discussion. On clause 2, definition clause, they can say whatever they want to.

Shri Feroze Gandhi (Rai Bareilly): Preference should be given to Members who were not members of the Select Committee.

Mr. Speaker: That has been done. As far as possible, opportunity has been given to one representative from each Group. Of course larger number of persons from the Congress Party have spoken because of the strength of that Party.

Shri Dasappa (Bangalore): We shall be as brief as possible.

Mr. Speaker: I am not referring to the question of relevancy. On clauses 1 and 2 hon. Members may say all that they want to say on the Bill.

Shri Narayanankutty Menon (Mukandapuram): Mr. Speaker, when we are discussing this Bill as it has emerged from the Select Committee, I wish to bring back a bit of the memory of this House to the day on which the hon. the Finance Minister amidst the fanfare of trumpets and proclamations announced in this House that he was going to bring forward a Wealth Tax and Expenditure Tax Bill. It was a time, Sir, when at the end of the first Five Year Plan he was not able to show to the common people that there was any substantial increase in their standard of living. In fact during the Plan period he had consciously for the financing of the Plan every year been

increasing the excise duties on the common requirements of the people with the result that the standard of living of the lower income group has been steadily falling.

Not having the courage to come with a Budget which again shoots the cost of living of the common people on account of the excise duties imposed in his Budget, he wanted to camouflage the increasing excise duties which he was going to announce to the House on the 16th May, and therefore as a matter of consolation: "Look here, we are going to have heavy taxes on the wealthy people and people with fabulous income and we are going to get all the money from their vaults. Therefore, we are having an equitable basis of taxation as a pre-condition to the socialist pattern of society where the common people will be asked to pay the tax along with the rich and also wealthy."

This Bill has now gone through the laborious process of the Select Committee and certain changes, very vital changes on the basic principles of the Bill have been introduced. Even when this Bill was brought forward, we on this side of the House did not consider it important from the revenue point of view, because at the most the total revenue that the Bill was supposed to bring to the exchequer was a negligible amount of Rs. 15 crores.

As far as we are concerned, we welcomed this Bill because after such a long time of increase in excise duties and taxation which affect the common people in this country, certainly it was a relief in the morale of the common man to participate in the Plan, now that the Government has come down at least to touch the outer outskirts of the wealthy people in this country.

But the trials and tribulations which this small Bill has undergone in the Select Committee and also outside in the country, and the attack that we have seen on the provisions of this Bill when it has come before

[Shri Narayanankutty Menon]

this House, compel us to imagine or ask ourselves in which position we have come at this time of the Plan.

The purpose of the Bill, as it originally stood when it was introduced in the House, was to touch the income of a man having Rs. 2 lakhs wealth a year. As a result of the changes that the Bill has undergone in the Select Committee, ultimately, in actual calculation it has come to this that the provisions of this taxation measure shall not affect anybody who has got a wealth of Rs. 5 lakhs.

Coming to a broad calculation, calculating at the rate of 6 per cent—a person may manage to get even unearned income upon his wealth—a man having a wealth of Rs. 5 lakhs can easily make Rs. 36,000 a year. What this Bill provides for is that for every additional Rs. 1 lakh above Rs. 5 lakhs he will have to pay a revenue of Rs. 500 to the exchequer. When a man having an income of Rs. 36,000 in India today is asked by this House to pay a revenue of Rs. 500 a year, and when we find such a lot of loud cries from both inside and outside this House—my friend Shri Nathwani has put in very ridiculous terms our dissenting notes as a 'cry'—what shall we tell a common man who has been asked to pay excise duties as a result of which his cost of living has very easily gone up by 5 per cent? What shall be the equity, the equanimity of taxation that this House is legislating today?

Look at the great exemptions that have been granted. Much has been said about the exemptions, and the Finance Minister himself took the entire responsibility of introducing the amendments and allowing himself to be a party to get the exemptions passed. The most important of the exemption, on which much has been said by many friends on this side, is the exemption upon the palaces of princes and the great jewellery inside the palaces of the princes. Yesterday, when my friend Shri Bimal Ghose made a point out of this that this

exemption in the present context was quite unwarranted, the hon. Finance Minister was very quick to get up and give him a reminder: "Let my friend re-read the provisions of articles 362 and 363". It has become a custom with the Finance Minister to engage in certain diatribes of kindergarten economics when economic problems come before this House. But, yesterday he took a step further and asked my friend to re-read the articles 362 and 363.

The Finance Minister now says that it is because of the guarantee that is contained in articles 362 and 363 that he has put in the provision granting exemptions to the palaces of princes and their jewellery, and this House is helpless to tax the palaces and the jewellery. Taking the clue from the Finance Minister, taking humbly the advice that he gave to my friend Shri Ghose, I have re-read the provisions of articles 362 and 363 yesterday. But my humble submission before this House is, if the Finance Minister today, on the floor of this House, takes a bit more trouble and common intelligence he will understand that articles 362 and 363 do not in any way refer to palaces and jewellery of the princes. If at all any reference is made there, it is to the income of the princes. As I deliberately want to clear that point, I am reading out, to the benefit of the House and as a reminder to the House, the provisions of article 362, on which the Finance Minister yesterday relied that a guarantee has been given by the Constitution for the palaces and jewellery of the princes. Article 362 reads:

"In the exercise of the power of Parliament or of the Legislature of a State to make laws or in the exercise of the executive power of the Union or of a State, due regard shall be had to the guarantee or assurance given under any such covenant or agreement as is referred to in article 291 with respect to the

personal rights, privileges and dignities of the Ruler of an Indian State."

And, what are the rights that are guaranteed under article 291? The privileges that have been guaranteed under article 291 are:

"Where under any covenant or agreement entered into by the Ruler of any Indian State before the commencement of this Constitution, the payment of any sums, free of tax, has been guaranteed or assured by the Government of the Dominion of India to any Ruler of such State as privy purse—

(a) such sums shall be charged on, and paid out of, the Consolidated Fund of India; and

(b) the sums so paid to any Ruler shall be exempt from all taxes on income."

We fail to understand where the guarantee is given. We are not big lawyers as the advisers of the Government. But, a simple reading of the provisions, and even a high intrinsic and forensic interpretation of the provisions will not tell anyone that the house which they inherited from the past, the jewellery which they have inherited as heirlooms in the past, the crores of rupees invested in them shall be interpreted as income of the princes after this Bill has been passed.

I am pointing this particular provision alone just to remind the House the way in which the Finance Minister is out to defend whatever has been done, and also to absolve the entire responsibility that he has taken in whittling down the Bill in the Select Committee. Shri B. S. Murthy, I may refer him by name, yesterday made a very pertinent remark that the Select Committee has betrayed the trust that this House has placed in the Select Committee. I entirely agree with my friend with the modification that the majority of the

Select Committee has done as he has said before the House yesterday.

Inside India, when the national per capita income of the common man is very low, when much tears have been shed in the name of the common man from the other side and everybody had to say much about him, is it too much for us to say that a man who has got a wealth of Rs. 5 lakhs, an income of Rs. 36,000 a year, an income of Rs. 3,000 a month should pay Rs. 500 a year so that the Plan that he has undertaken, for the execution of which the Finance Minister takes the monopoly responsibility, is proceeded with and finalised?

I wish to point out to the House the excise duties which they were levying every year since the year 1948 to the year 1957 to show how the colossal increase in the excise duties strike upon the barest minimum necessities of the common man. In 1948 the duty on kerosene was 0.2 per cent. while in the year 1957 it has come up to 3.16 per cent., an increase of almost 1400 per cent. In 1948 the duty on sugar was 6.47 per cent. and in the year 1957 it has come to 36.45 per cent an increase of 600 per cent. On cotton cloth it was 0.87 per cent and in 1957 it is 72 per cent, an increase of almost 8500 per cent. With the other excise duties and the burden that he has put upon the common man in terms of increase in railway fares and the consequent increase in prices all over the country, he is not prepared, and he sheds his tears when a small little thing out of this colossal wealth is taken in the name of the Plan.

I have only to submit that not only the Finance Minister has taken away Rs. 3 crores by means of his amendments in the Select Committee—Rs. 3 crores compared to the total outlay of the Plan may be an insignificant amount, but by taking away Rs. 3 crores by way of concessions to the princes and higher income group persons—he has also taken away the entire goodwill of the common people and their faith in the Plan.

[Shri Narayanankutty Menon]

I will conclude, Sir, by making a reference to the phraseology that the hon. Finance Minister used yesterday. When he spoke about the Plan yesterday, he was throwing a wild allegation on this side, saying that we are saboteurs and we are enemies of the Plan. I wish to remind him that not for any time since the Plan has begun we have been accused or anyone including the other side has accused that we have ever been the enemies of the Plan. As a party, coming as we do from the working classes, we have been the first to welcome the Plan because they say that this is a socialist plan. But I wish to remind the hon. Minister that the enemies are inside the hull of their own ship.

Yesterday, a Member from Rajasthan was speaking and he was lamenting over the fact that an exemption has been given to losing companies. From that side, therefore, speaks the monopoly capital which does not wish to have an exemption for losing companies. They have always followed the law that when the companies lose, the monopolists will swallow the losing companies and the State shall not come to the aid of them. An hon. Member from this side of the House said yesterday that we are investing money and upon the investment of this money, if you are going to tax more and more, the incentive to investment will be lost and, therefore, through that loss, the national service is also gone. Not at anytime in the course of history have the people who have got wealth to invest said that "we are investing for the sake of the people". But we have seen an illustration of the investment. They invest their capital in order to make more and more profits, the profits that we have seen for the last five years.

Therefore, if the Finance Minister really wants to find out the enemies of the Plan, the first man he will have to look to is himself, because, at least in this instance, he has taken three

crores of rupees out of the common exchequer and has handed them over to those who could afford, and to that extent, and similar other extents, he has deprived the Five Year Plan and along with that, he has taken away the tremendous amount of confidence and goodwill the common people had in the Government in executing the Plan as a socialist plan and as a plan for the people.

The Minister of Finance (Shri T. T. Krishnamachari): Mr. Speaker, Sir, it would not be correct or proper for me to characterise the speeches made on the floor of this House in respect of this Bill, but I might, in all humility, draw the attention of the House and undoubtedly to the wider public outside, to the extreme difference in points of view that came out of these discussions. Luckily, Sir, whether rightly or wrongly, the Select Committee had made certain alterations, and thereby it has relieved me of one responsibility. I have been relieved of the responsibility for the original sin, namely, of having conceived this wealth-tax. More or less, the House has accepted that wealth-tax is all right. There have been views that the changes made by the Select Committee on the wealth-tax are not right or the changes that the Select Committee has made are inadequate and that it should have made more changes. From that point of view, the discussion has been revealing.

I have tried, though very unconvincingly so far as my hon. friend Shri Narayanankutty Menon is concerned, to maintain the position that, subject to certain alterations which I had myself suggested as being necessary, I prefer the original text. As I said yesterday, it would be wrong on my part . . .

Shri B. S. Murthy (Kakinada-Reserved-Sch. Castes): . . . to have yielded to the pressure of the Select Committee.

Shri T. T. Krishnamachari: The hon. Member is trying to put words into the mouth of a person whom he knows for a long time. It would have been wrong on my part to shift the responsibility which undoubtedly belongs to me and undoubtedly rests on my shoulders, onto the Select Committee or any section thereof. It would be completely wrong. That is why, when my hon. friend, Shri Pande yesterday tried to say something about the Select Committee, I said the Select Committee was not responsible. I as a person who has asked this House to consider the motion, and not having appended any Minute of Dissent, stand completely committed to the recommendations of the Select Committee. My personal opinions in the matter are of no consequence, because today I am only a Member of the Government who has been on the Select Committee and who has the responsibility for seeing that the Select Committee's recommendations are accepted by the House to the extent that any person has to accept these recommendations. Therefore, my hon. friend on that side would forgive me if I am not making my position very clear, because, individually, —I still maintain I am an individual —I have certain views. But those views just pale into the shade as I am representing today the collective views and decisions of the Select Committee. But having accepted that position, I am in that unenviable position of being in between two sectors.

You know, Mr. Speaker, my language though you do not belong to my State. You recognise a musical instrument which is played with two hands.

Mr. Speaker: The drum.

Shri T. T. Krishnamachari: There are variations of it in each case. A man plays on it with two hands and occasionally he plays with the stick in one hand and just with the fingers on the other. I think I am more like the drummer who used to accompany the piper and here are my friends who use the stick. But today, the

drum is on the one side and the other people use their fingers fairly sharply so that it resounds and produces a noise. In a way it is good, but it does not produce music, because they produce discordant notes and because the two hands do not know how to synchronise. Anybody who has watched the drummer would find out how difficult it is for him to synchronise, when the two hands do one thing and try to produce music simultaneously which we cannot do. The two hands follow in the same way. So, from that point of view I think the discordant elements taught themselves to synchronise the sound. It might happen. Often times it is found....

Shri Prabhat Kar (Hooghly): You could have given us proper music and a musical note by not taking this side or that side.

Shri T. T. Krishnamachari: Well, Shri Prabhat Kar will excuse me if I tell him that when I was about 12 years old, I had to stop studies in one class for three years because they would not permit me to take the examination. One of my parents said that I should learn some music, while the other parent said, "No, my son will get ruined". I am afraid it was my father who was right and the mother who was wrong. Then, I might be able to teach you how to produce noise that is not discordant. Anyway, that is by the way.

The position therefore falls into this. The hon. Members on this side have given me very valuable support, notwithstanding certain remarks which were by the way, in sustaining the provisions of the Bill as it has emerged out of the Select Committee. I am very grateful particularly to my friend who started off the debate yesterday, kicked the ball, so to say,—Shri Naushir Bharucha—to whom I was listening all the time even though I was not here, for the very discriminating support that he gave. Altogether I think I have a lot to thank hon. Members for, who not merely sup-

[Shri T. T. Krishnamachari]

ported those provisions of the Bill which are being objected to by other sections but who gave suggestions also, I think one would have understood the position of the Select Committee. No Select Committee can say, "This is the last word". We have to compromise, but I do not say that hon. Members should not hold views which they hold in this particular matter.

If Shri Bharucha had raised a number of valuable points, I think they are points which have to be considered in the course of implementation of the Bill. I think one hon. Member—I think it was Shri Nathwani—mentioned that it is not the last word for bringing some taxation which in one sense is new. It has to be scrutinised from time to time. I think I can give this assurance on behalf of Government that we shall keep the House informed regarding the process of the collection of this tax. The House, I hope, will scrutinise the rules that we make for the collection of this tax and offer their comments, whether by means of resolutions or even by means of expression of their personal opinions. We will watch the working if we find that revenue considerations have been given somewhat lesser importance than what should have been, other things being equal, I think we can rectify it and remedy the defect.

The suggestion made by Mr. Bharucha in regard to valuation by rough and ready considerations is good. We have rough and ready reference today. That is why the Select Committee at one time thought that this question of appointing a valuer should be at an earlier stage and not at the final stage. But they changed their mind afterwards. Very often rough and ready considerations, which would decide a particular value, might be accepted both by the assessee and by the department. Only where the amount involved is very heavy that you have to get two values.

My hon. friend, Pandit Thakur Das Bhargava, spoke very exhaustively about this Bill. There are a number of aspects which he mentioned, with which I am afraid I am unable to agree for the reason that it will further whittle down the Bill. For instance, he said he wanted a further taxation in the matter of jewellery. He felt that Rs. 2 lakhs was rather low. I can tell the House that I was trying with the idea between Rs. 1 lakh and Rs. 2 lakhs for a very long time. It is certainly because that it is a new enactment that I gave up Rs. 1 lakh. I think it is good; I would rather have Rs. 2 lakhs, or even Rs. 2½ lakhs, as some hon. Members wanted. That would be better. A higher figure is perhaps called for if the exemptions are taken away but we cannot have both.

The question of double taxation was raised by Pandit Bhargava. He might as well sleep with it now. I do not know; as far as I am concerned, I do not think there is any particular principle in regard to double taxation. It is a principle that has been trotted out as a matter of convenience. In fact, the interests that are affected say that this is double taxation. I may point out that excise duties are double, triple, quadruple and multiple taxation and everybody, rich or poor, pays them. They are duties which everybody who consumes these articles, what are called 'necessities' and luxuries, has to pay. It is generally accepted today, the cry from the various States to lay is, "We will drop sales-tax and we will have excise duty. That is a better way of collecting tax and there is no question of evasion." Therefore, I don't think the question of double taxation as a principle is worth labouring about.

Maybe that the tax element in a company is not refundable. Of course, the question of refund is there in regard to income-tax. Hon. Members have missed one point in regard to the Finance Bill, which they have approved of, that the refundable ele-

ment of taxation on companies has been increased from 25 naye paise to 30 naye paise. So much so, I will suggest in all humility that the half per cent taxation, even assuming there is reduction in the dividend, because the company pays this tax, though it is not likely, is more than compensated by the increase in the refundable element. If a shareholder does not pay income-tax of more than 25 naye paise, then he is going to get a refund of something more than what normally he would have got—30 naye paise instead of 25 naye paise. That, I maintain, amply compensates, if a person will take the refund of income-tax. Sometimes, if it is a refund of Rs. 20 or Rs. 30, people do not bother. But if a person lives mainly on equity income, he calculates how much he gets as refund of income-tax. I will give you a real instance, where a particular person gets about Rs. 6,200 by way of equity income and that person was able to get refund all along of more than a thousand rupees by way of refund of income-tax on the shares. That will now increase straightaway by another 20 per cent and that will more than compensate any diminution in dividend, assuming the company reduces the dividend, which is not at all likely.

It is again for that reason that I have introduced the concession, namely, I have raised the unearned income limit from Rs. 7,500 to Rs. 9,000, provided that Rs. 1,500 is covered by return from equity investment. That is to say, we are prepared to give Rs. 1,500 free area from the imposition of the surcharge which unearned income bears now for a small shareholder or a medium-sized shareholder. So, I would humbly submit that this plea of double taxation has really no particular basis, in view of the very many concessions offered and in view of the fact that basically the refundable element in the income-tax paid on the company's dividend is now increased by 5 naye paise in the rupee.

Pandit Bhargava suggested that merely because article 50 of the Con-

stitution lays down that the State shall take steps to separate the judiciary from the executive, I ought straightaway to make an innovation here and allow the Appellate Assistant Commissioner to be subject to the control of a High Court. Which High Court? I do not follow demarcating myself, in this matter. We follow the demarcation in area and the work-load and the return that we get. Pandit Bhargava will agree with me; that is a thing which I am unable to understand.

There is a general claim made that a dwelling house should be exempted everywhere not merely in the rural areas and not merely for the princes. It will amount to a drop of anything between Rs. 1½ and Rs. 2 crores. It is also very difficult to say what portion the man will let out and how much he is keeping. Revenue considerations, more than anything else, prevent this exemption from being given.

My hon. friend, Shrimati Renuka Ray complained about the whittling down. I have already mentioned that whatever may be our personal opinion in this matter, I think we should concede that in the case of a new enactment which we are working, we ought to give it a trial. If it is something which makes it a complete bar, I quite agree that we have to drop it. In fact, that is my view. Some hon. Member said that I have mentioned that if the tax on the companies is taken out, I would much prefer to drop the wealth-tax. That is my view. There is no point in setting up an administration for collecting Rs. 6 crores and the revenue considerations are paramount. I shall be pleading for company taxation later on. Anyway, I am very grateful to her for her support.

Of course, there are other loopholes to be plugged. We will look into them. As I have said, we have made a new and I think it is much better for us to wait and watch how it works for a period of one year, because nothing much is lost in a period of one year.

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My friend, Mr. Murthy, feels the same way as I have felt sometime back, until this burden of office came to me. Really in spite of the things that I sometimes say, I am inclined to say that until somebody provokes me, I am a very tame person. I think in course of time, Mr. Murthy will have an opportunity of getting tamed like myself. He dealt with the privy purses, with which I shall deal presently. I do not want hon. Members to feel that I have not taken the points they have made. With regard to Mr. Masani and Mr. Ghose, I shall leave them presently, and so also Mr. Morarka. I am very grateful to my colleague in the Select Committee, Shri Heda, for having prevented me from being the sole defender of the Select Committee's work and for having taken a share in the burden.

One point I might well dispose of now, that is, the point made by Shri Narayanankutty Menon. I challenged Shri Bimal Ghose to re-read article 362. He said that he has read it. I find no justification for my asking any hon. Member to read a particular article. I will read the article for the benefit of the House. May be, my enunciation may be slightly different from that of Shri Narayanankutty Menon. Article 362 says:

"In the exercise of the power of Parliament or of the legislature of a State to make laws or in the exercise of the executive power of the Union or of a State, due regard shall be had to the guarantee or assurance given under any such covenant or agreement as is referred to in article 291 with respect to the personal rights, privileges and dignities of the Ruler of an Indian State."

It is a matter of construction. Shri Narayanankutty Menon is a lawyer. Reference to article 29 is qualified by the guarantee or assurance given under such covenant or agreement. The provisions of article 291 have no application at all. It is referred to only

because it also refers to guarantees and assurances given under covenants or agreements, in respect of personal rights and so on. If he understands the distinction, reference to article 291 or to the provisions and wording of article 291 is merely to draw attention to the fact that there are certain covenants and assurances given to the princes as a result of which certain rights have been guaranteed. Then, he will find that article 362 is pregnant with larger meaning than what he seeks to put in there.

Reference to article 363 has merely been made by me to draw the attention of the House. While the Constitution has asked the legislature of a State and Parliament to give due attention to guarantees and assurances contained in covenants in regard to rights, privileges, etc., it has, at the same time taken away the right of the princes to get these guarantees and assurances embodied in the covenants interpreted by a court of law. The jurisdiction of the Supreme Court has been taken away so far as these covenants are concerned. Whether article 362 follows article 363 or article 363 is there because we have given certain assurances in regard to article 363 is a matter of dichotomy which I think we need not go into. They are closely related. Having enjoined on Parliament to do a particular thing, to take into account certain facts, we say that the determination of rights under these facts shall be taken away from the purview of the court because it has been vested in Parliament. The moral conscience of Parliament has got to support any undertaking given by the Government and any assurance given by the Government. Therefore, it is superfluous, it is unnecessary, dangerous to allow the Supreme Court to interpret these covenants and the obligations of this Government in regard to these covenants.

So far as the covenants are concerned, if there is any specific provision in article 363, international law

will play its own part. Shri Narayanankutty Menon has not read article 362 patiently. Because, if he had read, an intelligent lawyer as he is, he will know that reference to article 291 is incidental. It is not fundamental. It only refers to article 291 in order to draw the attention of Parliament and legislature to the assurances and guarantees given under covenants.

Shri Narayanankutty Menon: I read patiently, but not with the Finance Minister's preconception.

Shri T. T. Krishnamachari: Unfortunately, the trouble about it is, the world conceived me earlier. After all, we all think it is not human beings that conceive us. Somebody determines how we are conceived and that person has determined that I should be conceived earlier than Shri Narayanankutty Menon.

Unfortunately I happen to be *particeps criminis* in the production of this document. I played a very large part—I am not claiming it in a spirit of bravado—in regard to putting restrictions on the rights and privileges, in regard to the wording of article 291, in regard to articles 361, 363 and in regard to the definition of Ruler. The Drafting Committee of which I was a member had played a very important part. I think some of these were written out by me to the dictation of somebody else. I have been intimately connected with it.

Shri Narayanankutty Menon: You were not the Finance Minister.

Shri T. T. Krishnamachari: No. I was an ordinary Member like Shri Narayanankutty Menon, but very hardworking.

Shri Bimal Ghose: Shri Narayanankutty Menon is very hardworking too. I hope in time he will become the Finance Minister.

Shri T. T. Krishnamachari: I hope he does. I hope he changes over and comes over here. Nobody would be pleased more than me when I am gone from this world if I can possibly see

Shri Narayanankutty Menon is a reformed person and the Finance Minister of India.

Shri Bimal Ghose (Barrackpore): The only thing is he should be living then.

Shri T. T. Krishnamachari: I don't think that that calamity will occur.

The position is this. The reason why the Select Committee considered it was because article 362 was brought to their notice. That is why they felt that the rights, dignity and the privileges of a prince entitle him to have one house which goes along with the maintenance of his dignity, I suppose.

So far as jewellery is concerned, it is hedged by a number of considerations. I do not know if the princes would like to take advantage of this concession. They may like to pay half a per cent. or one per cent., as the case may be on the jewellery and keep to themselves the right to sell that jewellery if they chose to do so. I do not think that the Wealth Tax Act can prevent it unless that is prevented by some other agreement. If that supervenes, if the Wealth Tax Act makes them pay the wealth-tax, it will be doing something which is wholly wrong. If there is no such agreement like that in force, I think the princes will elect to claim it as personal property, and pay the wealth-tax. I do not think we need labour the point of that concession. The concession if it is sanctified by law, has to be sanctified by the Wealth Tax Act. If the concession is not so sanctified, I am sure, the princes will elect to call it their personal property, sell it, pay the tax and put it to productive uses. I have no doubt about it. I think we need not labour about it.

In any event, I do not think it has detracted from revenue considerations, because I have not been able to evaluate the total amount that I would get from the princes. I have not been able to evaluate, at the time when I framed this particular Bill, what I will get from them. Therefore, they were

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out of my consideration in estimating the revenue. That is why I have mentioned that there are some cushions still. Revenue considerations have not suffered by reason of these two concessions. One concession, I humbly submit, Parliament must take into consideration. The other concession is really a matter of convenience. If the law prevents a person from selling, even without this provision, he can say, it is not my property, you prevent me from selling, you cannot levy the tax. If, on the other hand, nothing prevents them from so doing, they will choose to make it their own property and they will pay you the tax.

Shrimati Renuka Ray (Malda): What is this protection to heirloom jewellery? Why is it protected?

Shri T. T. Krishnamachari: Hon. Member will see that if it is heirloom jewellery which has been listed and where it is said that it is not the personal property of the Ruler, but it is the property of the State, I do not think I have a right to collect the wealth-tax. The man has no possession of it. Very many provisions of the Act prevent me from collecting wealth tax on any property where the person has got no absolute discretion in regard to the utilisation of the income from that property. If I take away that right, the provisions of the Act are not detracted. On the other hand, the position is nebulous. If they are in a position to sell it, I am sure they will elect to claim it as their property, pay the tax and then sell.

I now come to the question of taxation on companies. A lot of arguments were put forward by many hon. Members. I must say that Shri Bimal Ghose has put me in debt by defending this particular imposition, and I am very grateful to him for that. The question of a new personality has been imported—the collective wealth of the people and so on—and it is stated that wealth tax on companies is not levied elsewhere. I think there are some forms of taxation of company's wealth even in American States. As I said, so far

as the majority of the small shareholders are concerned, the concession that has been given to them more than compensates any possible loss by way of diminution in dividends. My hon. friend—I do not remember his name—said about the depreciation in the value of the shares. Well, that is a question of market. If the shares are depreciated, our wealth tax will also be depreciated. But I do feel, as I said before, that with the particular composition of companies in this country, with the large amount of control with particular groups, it would not be possible for me to eliminate companies and go on levying it on the individual. After all, it would be the individuals, who have a wealth of 2-5 lakhs of rupees, and who would be the largest number, that would be really owning these companies and they should not be eliminated. So, we have made this provision. I don't think that the concession is anything wrong. The Select Committee went a little further. I said: I will give the concession so that nobody will pay more than 1½ per cent in regard to private companies. The Select Committee has made it generally applicable to all companies so that nobody will pay more than 1½ per cent., which is the ceiling that we have ourselves fixed. So, I don't think that there is anything wrong in taxing the companies. The mere fact that in a few companies we have a large number of shareholders is not a very material fact. Considering that, yesterday I had to move an amendment in order to protect and maintain the identity of a company as a public company merely because of the fact that the Life Insurance Corporation or any Government Corporation, or Government for that matter, acquires certain shares in one company and therefore, less than 50 per cent is being held by it. The position is that even in regard to public companies, a safeguard of that nature had to be made yesterday. I had to put it before the House to safeguard their interests. There are a large number of public companies where there is a near majority, that is, somewhere near 49

per cent. If I hold that much share and if I go on purchasing on behalf of the Life Insurance Corporation, the percentage will become 52 and the Corporation will become a private company, and not a public company. That is why I tell the hon. Members that public companies are not quite so common. There may be a large number of them, and it is a good thing. Either the shares must be widespread or the shares must be held by the provident fund or pension fund of the future or the Life Insurance Corporation. It is all good. After all, the Life Insurance Corporation holds shares on behalf of the policy-holders. If the income from these things is larger, they get about 8 or 9 per cent. Ultimately, a portion of it will go to taxation and the rest will go to the shareholder. Quite good. Because, the number of people that are covered is large and that is the job that we are trying to do. It does not mean that, in the present context of events in India, companies, even public companies, are held by a majority interests or by a number of people. It is really a closed corporation. So, I do not think there is any necessity for me to apologize for having insisted on this provision being got through, and I am grateful to the Select Committee for having appreciated the rationale behind them and for having permitted this provision to be put in the Bill.

I have to refer to one or two matters. There is the Hindu undivided family. But before that I shall deal with the other things. It can't be helped if I am not able to reply to everybody; otherwise, the discussion becomes desultory. Mention has been made by Dr. Krishnaswami to the exemption of tools and implements. Well, the limit can be raised, if that will serve the purpose, especially for surgeon's equipment. But my difficulty is this. Whether you agree or not, it is difficult for me to single out any particular profession for special treatment because I do not want...

Dr. Krishnaswami: It was only an illustration.

Shri T. T. Krishnamachari: If it is suggested, we can consider that. If the equipment is used for commercial purpose, then it comes under the purview of the wealth tax. If the commercial element is small, well, naturally we had to find something in the form of rules, perhaps. If there is any particular equipment which can only be used two times or three times or even ten times a year and the return will not even barely cover the interest charges on the equipment, well, it can be considered. One particular doctor or somebody wants to have something. Supposing there is a new machine invented for the purpose of measuring the I.Q. of an individual. It will be very valuable and, maybe, many people would not like to get their I.Q. measured. But if a person has, for some scientific reason, got it, he has to pay wealth-tax. Since he is not getting any particular benefit out of this machine, we may exclude that. That could be done by a general provision in the rule. If the hon. Member will make a suggestion, I am quite prepared to consider it. But so long as I limit the benefit to any particular profession, however good that profession might be, it would be rather difficult. We have to have some base for classification. We cannot do it profession-wise. It is not something like industry-wise because a lawyer is as good a public servant as a doctor and an architect is a very good person, and a surveyor even better, and so on and so forth. A psychiatrist also does a lot of good. So, it is very difficult to say that we will give exemption to this category, excepting perhaps in the rules, more by way of administrative exemption or evaluation, rather than by anything else.

Then there are certain industries where once a thing is purchased it cannot be sold or even if it is sold, it does not get a big value. In the case of livestock somebody said: why should you exclude race-horses? Well, livestock is livestock. So far as the question of eliminating horses is concerned, there should be a horse-breeding industry. It was a flourishing industry at one time. It is now dying

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and we are purchasing Rs. 50 lakhs worth of horses for the army. Even if you work out the life and the value of race horses, you will find that its average life is about 3-5 years. So, even if you pay Rs. 80,000, it will come down very rapidly and sometimes the cost of maintenance of a horse is very much, so much so that as a business proposition the disadvantages might more than outweigh the advantages you get. That is why we have stated that livestock should be excluded. While doing so, I had also another idea in mind. Some hon. Members said—I think Pandit Thakur Das Bhargava also spoke the other day—something about animal husbandry. I could not reply to that because that is a matter that concerns my colleague, the Minister for Food and Agriculture. So far as we are concerned, our hides and skins trade, which is a very valuable trade, is dying and it will be dead very soon. Then, sheep farming is another form of cattle breeding, a very useful subsidiary to agriculture. We are not doing very much about it. Of course, we are allocating a few crores every year. But there must be greater concentration. My hon. friend is quite right when he said that there must be a Ministry or a section for looking after animal husbandry. That is why we thought that this question requires some consideration. After all, we have not got animal insurance. It is a wealth which cannot be preserved for all time. A man might have a flock of sheep today. The next day all of them might die. So, these exemptions do bear some relation to the actual position. Incidentally, horse breeding is a good thing. These are the various considerations that we had in exempting all classes of livestock.

Similarly, some hon. Members had suggested that we must exempt scientific instruments and tools for scientific research. Yes, you can do it. You can have a special classification for scientific research, though it is not necessary because even a private person who keeps equipment for purposes of

research and does not make a profit would automatically be treated as not having anything very valuable, because it is not there for purposes of sale or commercial use. We can accept an amendment of that nature, but it is not possible for us to demarcate any particular profession and make room for it.

14 hrs.

Mr. Kaldor came in for a lot of quotation from Shri Morarka. Mr. Kaldor has no responsibility. If I accept Mr. Kaldor's view, will Mr. Kaldor come and defend the position here? A young man who was working with Mr. Kaldor told me the other day that Mr. Kaldor is not very pleased with these measures. Perhaps he is not, but Mr. Kaldor has not got the unenviable responsibility of having to pilot it through the Select Committee and to come and answer questions in this House. So, whatever I do must have something in it for which I can provide justification and not merely quote a book and say: I have also read a book, and quote from it as my friend Shri Nathwani was able to quote from Crossland—though no socialist will agree he is a good socialist, and the review of that particular book has been almost devastating. The fact is that there is really a difference of approach in these matters. Mr. Kaldor has broadly indicated that there is necessity for a change in the tax system, in the tax structure, which he had indicated also in his Minute of Dissent to the U.K. Royal commission on taxation. He pursued that point in regard to Indian conditions as he saw it. That is a very valuable help. I must acknowledge it because I had the privilege of discussing these matters with him a number of times, even reading through the script, though, as I have said, I did not read the book as a whole. Portions of the script I had read through and criticised and probably he made some corrections because of that, but there is no point in quoting Mr. Kaldor against me because he has not got the responsibility.

So far as my estimate being wrong is concerned, nobody will be more pleased about it than myself. I think my distinguished predecessor did a very wise thing which I should have followed if I had been told about it. He refused to estimate the return from estate duty when he piloted the Estate Duty Bill, and I think I would have been wise to have acted similarly, but I had to put it in the Budget, the figures have to be totalled up and the gap shown. Therefore, I took this figure of Rs. 15 crores. Now, the dispute is whether it is Rs. 12½ or Rs. 12 crores. It may be more, or one or two crores less, but I do believe that progressively the realisation is going to increase. Year after year I think we should be able to make a crore or Rs. 1½ crores more. So, if Shri Morarka seeks to prove that he is right and I am wrong in my estimation, I will certainly say I am very happy. It is not one of those matters in which my estimation going wrong will displease me. It will please me a lot, because I would like to see more wealth tax collections come in.

Finally I come to the point raised by Pandit Thakur Das Bhargava in regard to the position of the Hindu undivided family here. He raised it also while speaking on the Finance Bill. He quoted two very valuable documents, that is, the report of the Income-tax Investigation Commission and the report of the Taxation Enquiry Commission.

So far as the Income-tax Investigation Commission is concerned, I must, in all humility, tell my friend that I am able to get through the skin of the person who wrote these paragraphs a little better than he could as I happen to know the gentleman, but he has said also in paragraph 65 of the report of the Commission:

"We do not think that it is for us to take considerations of revenue into account in making a recommendation if we are satisfied that a particular course is required or justified by a law or principle."

I want to read it again. The House will please make a note of it.

"We do not think that it is for us to take considerations of revenue into account in making a recommendation if we are satisfied that a particular course is required or justified by a law or principle."

He was a very eminent lawyer, an ex-member of the Supreme Court judiciary. My position is exactly the reverse. Without violating any principle in law or any principle in equity, revenue considerations are paramount so far as I am concerned. If the Income-tax Investigation Commission can take an extremely detached view in regard to revenue considerations in this particular aspect, that is about returns, I am afraid I have not yet reached that stage of detachment. I shall probably do when I cease to be a Minister here. Then I can look upon my own actions as being imprudent. Yes, if I am doing the same thing over again, certainly I would do it better. In that sense whatever I do now might be imprudent one month hence, sometimes even the next day. The element of imprudence in regard to the determination of a particular line of action is always there, but the realisation always comes after the event.

Similarly, I am in exactly the opposite position in regard to the person who drafted this, I believe its Chairman, who says that they do not think that they are compelled in any sense to take revenue considerations into account. All that they are concerned about is the question of law, the question of principle. Well, on that we part company. So far as I am concerned, this is of no use to me so far as determination of the liability of a Hindu undivided family in regard to paying income-tax, wealth tax, expenditure tax or any other tax.

So far as the Taxation Enquiry Commission is concerned, the paragraphs that deal with it are in page 116, from 44 onwards. I would suggest that the matter might be read again. It has a Delphic Oracle character

[Shri T. T. Krishnamachari]

about it in the sense that it is not very precise. It evaluates the rival claims, but does not heavily lean on the one or the other. But I do recognise that there are basic incongruities in the approach of Government in regard to the Hindu undivided family, and I will not for one moment dispute the position taken up by my hon. friend about it. But I remember the days when I was earning some money; I remember when I was very young and I started a business, my auditor said: "Haven't you got children?" I said: "Yes". Then he asked me: "Why don't you class yourself as a Hindu undivided family, and then you get the benefit of exemption on super tax up to Rs. 70,000". Is that so, the auditor says so, and I agreed, but where is the Hindu undivided family. Of course, I got some money from my father; my father's father had no money of his own, and it was not given to me as part of the Hindu undivided family, it was merely the auditor's imagination.

The trouble really was when I parted company with my business and my sons. I found it very difficult to explain to the income-tax officers that we had parted company and a division had been made by metes and bounds, all kinds of documents and other things had to be produced. And having lost my property I had to spend more money on stamp fee, taxation, lawyer's fees etc.

I recognise it is rather inconvenient because so far as the income-tax people are concerned, they only look at it from the tax point of view. If it is right for them to class all these people, lump them together and get the taxation and they get more, well, naturally they would like to get more. If it is easy for them to separate them and thereby some annoyance removed and their position is also safeguarded, they do not mind it. If only one member in the family makes all the money and the other members do not make any money, they are not concerned about it. They will accept the partition as a partition by metes and

bounds. I quite agree that in a decision made by an income-tax officer, the element of the tax revenue is the predominant element in his determination, until you go on appeal either to the tribunal or on matters of law to courts, and the position also, so far as the Hindu undivided family is concerned, is extremely difficult.

What are we doing? We have the Hindu law which has completely taken away the corpus of the Hindu joint family property, and maybe my hon. friend who used to be a supporter of the Hindu joint family at one time is perhaps right in saying let us not recognise it, let us at least for purposes of taxation accept the *Daya-bagha* principle and assess them accordingly.

These are matters which I cannot decide in an amendment. I think he suggested a committee. I do not know when a committee could be appointed, but I can say this, that I agree with him in this matter that this question must be thrashed out both from the point of view of equity and from the point of view of revenue considerations. Because, to me revenue considerations are paramount. To my friend equity considerations are paramount. But there must be a dividing line somewhere which will probably break even, in regard to both these considerations.

As to when we can do it, I am not in a position to hold out an assurance. All that I can say is I see there is a case for an examination afresh and from a new point of view, having in view the changes that have been taking place. This question of assessing them as a firm is not possible. Both the Commissions have rejected the theory. In fact the Income-tax Investigation Commission goes further and says that if a member of a firm is not allowed to draw salary and that is not deducted in income, where is the justification for treating them as firms. Because, that concession does not come in. On the other hand, if we treat them as firms, the family will also

have to pay the firm's tax at one anna, that is 6-1/4 per cent.

So the whole question of Income-tax law will have to be thought of. Some kind of revision is undoubtedly necessary. When it could be done, I am not in a position to say. But when we undertake it I can give this assurance that we shall have this question gone into. Of course, I will plead only my side, that tax consideration must be paramount. It will be open for somebody else to plead that some other consideration should be paramount. But we should not make it a thorny issue year after year, for the Hindu undivided family to suffer or to be discriminated either way. It must be settled in categorical terms. It has to be done. All I can say is: but not yet.

That brings me to the end of my story. I hope the House will accept my motion for consideration.

Mr. Speaker: The question is:

"That the Bill to provide for the levy of wealth-tax as reported by the Select Committee, be taken into consideration."

The motion was adopted.

Mr. Speaker: We will now take the Bill clause by clause.

Clause 2.—(Definitions)

Shri Dasappa: With regard to the amendments to be moved, I want to make some changes.

Mr. Speaker: Very well. What are the amendments?

Pandit Thakur Das Bhargava (Hissar): I beg to move:

Page 2, line 9—

omit "immediate".

Shri Prabhat Kar: I beg to move:

Page 3—

omit lines 21 and 22.

Shri M. C. Jain (Kaithol): I beg to move:

(i) Page 2—

for line 14, substitute:

"(iii) live-stock needed for the raising of agricultural produce;"

(ii) Page 2—

omit lines 18 and 19.

Shri M. E. Masani (Ranchi-East): I beg to move:

(i) Page 2—

omit lines 25 to 27.

(ii) Page 3—

omit lines 15 to 20.

Shri Brij Raj Singh (Firozabad): I beg to move:

Page 2—

for line 14, substitute:

"(iii) live-stock used for purposes of agriculture;"

Shri Dasappa: I beg to move:

Page 2, line 14—

after "animals" add "except race horses".

Mr. Speaker: These amendments are before the House.

Shri Dasappa: Mr. Speaker, I had no opportunity to speak on this Wealth Tax Bill at the earlier stage or when the motion for the consideration of the Report of the Select Committee was taken up. I do not want to deal at length with regard to this, but I would like to say just a few words about two or three points; there are certain other clauses also about which I wish to say something, and I have no time to be here because of the work of the Public Accounts Committee.

Mr. Speaker: The hon. Member need not ask me. He can go on. He can, as a lawyer, make any point relevant to the issue.

Shri Dasappa: I would like to deal only with three points. The first thing is that when the Wealth Tax Bill was moved by the hon. Minister he wanted to give some relief by way of Income-tax to certain slabs. And here I might say that, being a new measure, the various aspects of the Bill and the consequences flowing therefrom might not have been fully within the view of the hon. Minister.

14.17 hrs.

[MR. DEPUTY-SPEAKER in the Chair.]

It was something like having a heavy forging, going into the milling shop and the assembly shop and coming out in good shape. I am glad that this Bill which had a fairly rough shape has now come out a vehicle which could be put on the road. And it has been a very happy compromise between the various sections in the House. The very fact that there is such a wide divergence of views is a thing which shows that the happy middle path has been taken. India's history, its culture and philosophy is like a beautiful, variegated floor carpet. Merely because there are different tints in it, different designs in it, it need not be taken that it does not fulfil the purpose. In fact, our whole philosophy has centred round unity in diversity. Our social system being what it is, you cannot describe it as purely capitalistic, or as purely socialistic; it is comprehensive of everything, of all these various systems. So, here, when the Wealth Tax Bill comes, it fulfils a certain purpose in the tax structure of the country. It could have come earlier, but it having come now let us welcome it.

I would also say that our economy cannot be built in the manner in which other dictatorial countries could build them up. We have got to take all the various sections along with us and work out a formula which is most acceptable or, at any rate, which is least objectionable. This measure as it has emerged from the Select Committee is, I claim, one which is

most acceptable or, at any rate, least objectionable.

I wish to refer to one or two points which to me need clarification. The first thing is that when this Bill was introduced, a measure of relief was given by way of Income-tax. That, I consider, was to make this Bill more acceptable on the one hand, and secondly to take away the rigour of taxation on those people who may have to pay the Wealth Tax as well as Income-tax. I quite appreciate this viewpoint but I am unable to understand how the equities could play when those who have no wealth have good enough income. They have a distinct advantage by virtue of this new tax structure.

Let me make it clearer. Those assesseees, particularly companies, do need relief by way of income-tax because they have got to pay the wealth tax, but what about those firms or individuals who have no wealth of that sort at all but who, all the same, have very good taxable incomes? That means that while they take advantage of the lower income-tax, slab, they have nothing to lose by way of wealth tax. I do not know whether this aspect was fully considered. There are in this country, as elsewhere, a number of commercial firms which have no assets at all on which they would have to pay wealth tax. They are merely distributing or other agents, but all the same, they make infinitely more money than companies who are running industries.

Shri N. R. Muniswamy (Vellore):
They pay only income-tax.

Shri Dasappa: So that today because of this new tax structure, those people who are paying the higher level of income-tax get a distinct advantage under the cover that there is a new Wealth Tax Act. They escape altogether the rigours of wealth tax and do not come under the mischief of it. This is a matter on which I expect the hon. Minister will throw some light because I am judging him not only from his past—he has ample

experience of commercial houses—but also from the fact that he has had now a very good insight into the working of the various concerns—commercial as well as industrial. I would like to know how he is going to see that those commercial firms and houses will pay at least the tax which they were paying prior to the introduction of wealth tax.

The second thing is with regard to clause 5. I have tabled an amendment and I had better speak on that also now because I may not be here when that will be taken up, as I have to attend a meeting of the PAC.

Shri V. P. Nayar (Quilon): I have got the Estimates Committee.

Smt Dasappa: The idea is to exempt tools and instruments of an assessee upto a maximum of Rs. 10,000. I do not want to refer to people carrying on various professions. It may be that there are engineering consultants, marine engineers and mining engineers and so on who may have very costly equipment—tools and instruments—which are a source of profit. I am referring particularly to those carrying on scientific research. We had an eminent scientist like Dr. P. C. Ray; there are eminent scientists like Dr. C. V. Raman who have their own academies with their own scientific equipment where they are conducting research. They are not people who run those institutions except for the labour of love and for giving new inventions to the world. Are they to pay wealth tax if the whole equipment in their scientific academies is to come under the mischief of the Bill?

I am glad the hon. Finance Minister in replying just now said that this was a matter which deserved consideration. I am very grateful to him for having taken a sympathetic view of the matter. I am suggesting now after a great deal of consideration that the tools and instruments which are to be used by the medical profession, those who are

practising as doctors, may be exempted. The fear is that some of these people are making substantial gains and it is not always that they ply their profession on humanitarian considerations. There may, of course, be some people who have such considerations in view. I am glad to hear that the hon. Minister has been pleased to say that where a person is not trying to merely use this equipment for profiteering or making lots of money, there it should be possible for him in the rules to provide that such tools and instruments may not come within the mischief of this Bill. I am happy at that assurance. It can be done by adopting a certain formula to be worked out in the matter of the evaluation of those goods.¹ They do not have much of a sale value. A fine X-ray instrument in my hand could be of no use.

Therefore, I am glad that in the matter of evaluation, he is going to issue suitable instructions so that its value need not necessarily be the book value, but something very much substantially less.

There is only one other amendment, No. 124, on which I would like to say a word. The Select Committee has been pleased to exclude in the definition of assets among other properties, animals also. I quite appreciate the point that cattle, sheep, goats and all those things are certainly assets which should not come within the mischief of the Bill. If it could be confined to this kind of livestock, certainly it would be all right. But when you use the generic term 'animal', even race horses come under that definition. I ask hon. Members whether big millionaires and multi-millionaires who own these horses should be allowed to take advantage of this.

Mr. Deputy-Speaker: It has been asked and answered.

Shri V. P. Nayar: He is an expert on that also. Do not worry.

Shri T. B. Vittal Rao (Khammam): Expert in backing horses.

Shri Dasappa: But still I feel that it should come within the mischief of the Bill. I can see no particular reason for exempting race horses from being treated as an asset. Therefore, I think this is a matter which merits consideration.

By and large, I may say that whatever differences of views there may be here, the measure has come out as a thing, I will say not of beauty, but of great utility. It has got a lot of scope for further increase. As the hon. Minister has said, it is only the 1957 model. After all, each year the model improves. Therefore, I am sure the hon. Minister, the good *sarathi* that he is, will be able to steer the Bill through successfully and see that our treasury is amply replenished.

Shri Prabhat Kar: My amendment is No. 73, which says:

"Page 3—

omit lines 21 and 22".

In order to see that there is no discrimination between rulers and citizens, we want that this definition that "Ruler means a Ruler as defined in clause 22 of article 366 of the Constitution" should not be there. That is why I have moved for the deletion of that definition.

Pandit Thakur Das Bhargava: With regard to my amendment, I have to submit two points for the consideration of the hon. Minister. The words in the Bill are:

"Provided that the building is on or in the immediate vicinity of the land and is a building which of cultivator or the receiver of rent or revenue by reason of his connection with the land requires as a dwelling-house or a store-house or an outhouse;"

My submission is this. This last condition is a very good condition, that is the building must be used by the cultivator for the purposes of his cultivation or agriculture. This, by itself, is the greatest safeguard so far as the question of protection to the cultivator is concerned. It will not be

misused because you have already made it a condition that it must be used by the cultivator for this purpose.

Now, to insist that this building must be in the immediate vicinity or it must be exactly on the land or farm is absolutely superfluous, I should say. I know, at least in the Punjab—and I have seen other parts of the country also—that usually the buildings are not on farms except in special cases. Usually, they are in the *abadi* of the village. If two villages are near and if his lands are in one of the villages and the adjoining village is nearer to the field, it is not unusual to find that a man is living in one village and his land is in another village close-by and he lives in that village and goes to his fields for the purposes of agriculture. When you want to give him this concession, do not make it impossible for him to claim it. He is not going to build another house in the immediate vicinity. Ordinarily, people are living in the *abadis* and if you insist on the words 'immediate vicinity' they will all be deprived of the benefit. It was not intended by us to deprive him of the concession that is given. My submission is that we should consider the main purpose and we should take away that word 'immediate'. If he lives in the vicinity he uses it for that purpose. Vicinity may be one *kos* or two *kos*; it may not be 20 *kos* or even further. I do not know why it should be immediate vicinity. The other condition is enough. I hope the hon. Minister will see that this word 'immediate' is superfluous.

Shri M. R. Masani: Sir, these amendments are consequential to the amendment to clause 3, which is the root of the matter, by eliminating the word 'companies'. If that was done, naturally, the definition of a 'company' and its 'Principal officer' would have to be deleted.

श्री मू० चं० जैन (कैथल): जनाब हिप्पी स्पीकर साहब, क्लॉज २ के सम्बन्ध में मैं ने तीन अमेंडमेंट्स दी है। सब से पहले मैं यह अर्थ करना चाहता हूँ कि क्लॉज २

४ और ५ इस बिल की जान है। इनमें क एग्जम्पशन दी गई है। क्लॉज २ (ई) में कहा गया है—

"assets" includes property of every description, movable or immovable, but does not include—

इस के नीचे कई आइटम दिये गये हैं जिन के बारे में मेरा इस्तलाफ़ है। पहला आइटम यह है—

(i) agricultural land and growing crops, grass or standing trees on such land;

मेरी गुजारिश यह है कि एग्रीकल्चरल लैंड को इस एक्ट से एग्जम्प्ट नहीं होना चाहिये था। इस सिलसिले में यह एतराज किया गया है कि एग्रीकल्चरल लैंड तो स्टेट सबजेक्ट है और वह हमारी लिस्ट में शामिल नहीं है। लेकिन मैं सबमिट करूंगा कि एस्टेट इयूटी एक्ट में स्टेट गवर्नमेंट्स को लिखा गया और बहुत सी स्टेट गवर्नमेंट्स ने एग्रीकल्चरल लैंड को उस में शामिल किया और उन को इजाजत मिल गई। यहां भी इस तरह का प्राविजन होना चाहिये था। लेकिन इस बिल में एग्रीकल्चरल लैंड के बड़े बड़े मालिकान को बहुत बड़ी रियायत दी गई है, जिसके ये मुस्तहक नहीं हैं।

क्लॉज २ (ई) (ii) में एक प्रमंडमेंट के द्वारा मेरे बुजुर्ग दोस्त पंडित ठाकुर दास भार्गव यह चाहते हैं कि लाइन ६ में शब्द "इम्प्लीजिएट" को निकाल दिया जाये, ताकि मकानात के प्रोनर्ज को खुली रियायत मिल जाय। इस सिलसिले में मेरी प्रमंडमेंट यह है कि इस सारे आइटम को ही निकाल दिया जाय यानी किसी किस्म के मकान को एग्जम्पशन नहीं दी जानी चाहिये। इस के मुतालिक इस मुझजिब एवान में यह प्रायु किया जाता है कि थक लैंड-प्रोनर्ज उस मकान को एग्रीकल्चरल लैंड की प्रोड्यूस वगैरह रखने के लिये इस्तेमाल

करते हैं, इसलिये उस को एग्जम्पशन मिलनी चाहिये। जो मेम्बरान इस की वकालत करते हैं, वे शायद यह समझते हैं कि इस बिल का असर हिन्दुस्तान के ३६ करोड़ आदिमियों पर पड़ने वाला है। यह बड़ी गलत-फहरी है। हकीकत यह है—जोकि मेम्बरान के सामने हर वक्त रहनी चाहिये, नकिन जो के हर वक्त रहती नहीं है—कि दर-असल इस बिल का असर सिर्फ ३६ हजार लोगों पर पड़ने वाला है। जो रियायतें इस बिल में सिलेक्ट कमेटी ने दी हैं, अगर वे सब मंजूर हो गईं, तो ३६ हजार में से चार, छः हजार और निकल जायेंगे और इस बिल का असर सिर्फ ३० हजार आदिमियों पर पड़ेगा। हम ने पहले ही उन को काफी रियायतें दी हैं और अगर अब और रियायतें दी जायें और कहा जाय कि उनके जो मकानात एग्रीकल्चरल लैंड की प्रोड्यूस वगैरह रखने के लिये इस्तेमाल होते हैं, एग्जम्प्ट कर दिये जायें, तो मेरे ख्याल में यह बात बे-इन्साफी पर मुबनी होगी। यह रियायत ऐसे लोगों को दी जा रही है, जोकि इस के मुस्तहक नहीं हैं। मुझे जेनरल डिस्कशन के वक्त बोलने का टाइम नहीं मिला और जो कुछ मैं उस के दौरान में कहना चाहता था, वह इस वक्त पूरी तरह नहीं कहा जा सकता है, लेकिन फिर भी मैं यह अर्ज करना चाहता हूं कि हम को यह सोचना चाहिये कि आखिर हमारा मकसद क्या है। कई मेम्बर स.हवान ने कहा कि इस सिलसिले में हमारा मकसद कुछ रेवेन्यू हासिल करना है। मैं यह कहना चाहता हूं कि हमारा मकसद महज कुछ रेवेन्यू हासिल करना नहीं है। वह एक मकसद तो है, लेकिन एक दूसरा मकसद भी है, जोकि निहायत जरूरी है और वह है कि हमारे देश में दौलत में जो डिस-पैरिटी है, जो विषमता है, उस को रेड्यूस किया जाय—उस को कम किया जाय। मैं अर्ज करना चाहता हूं कि इस एवान ने इस बात को कई बरस पहले ही मंजूर कर लिया है। द्वितीय पंचवर्षीय योजना। जहा

[श्री मू० चं० जैन]

हमारे मकसद की चर्चा की गई है, वहा यह साफ़ तौर पर लिखा है—

The essential objective is to secure rapid advance along democratic and egalitarian lines. With this particular approach the second five year Plan has been formulated with the following principal objectives:—

उस में चौ। आबजैक्टिव यह दिया हुआ है—

reduction of inequalities in income and wealth and a more even distribution of economic power

इनका- कस लगाने से इनकम की जो ना- बराबरी है, वह कुछ दूर होती है। हम ने एस्टेट टैक्सी एक्ट पास किया था। उस से एक महदुद आयरेक्शन में वैल्य की डिस्पैरिटी दूर होती है। यह वैल्य टैक्स भी इस मकसद से लाया गया है कि इस देश में वैल्य की डिस्पैरिटी दूर हो। लेकिन सवाल यह है कि यह काम हम एक निगडली (ggardly) तरीके से क्यों करते हैं—हम डरते क्यों हैं। कभी किसी कोने से दबाव पड़ता है और कभी किसी कोने से और हम उस के आगे झुक जाते हैं। आखिर हम एक सीधे तरीके से क्यों नहीं चलते हैं? जिस आबजैक्टिव को हम मंजूर कर चुके हैं, उस की तरफ़ चलने में हमारे कदम लरजते क्यों हैं? क्यों इस बात की कोशिश की जाती है कि जिन सैक्शन के पास दौलत है, उन को रियायत दी जाय?

उपस्थित महोदय : माननीय सदस्य अब खरम करने की कोशिश करें।

श्री मू० चं० जैन : यह कहा गया था कि जिन को जेनरल डिस्कशन के वक्त टाइम नहीं मिला है, उन को क्लोज़िंग पर बोलने का टाइम मिलेगा।

उपस्थित महोदय : माननीय सदस्य जेनरल डिस्कशन की कड़ू की इस पर बोल

रहे हैं और मैं बर्दाश्त कर रहा हूँ, लेकिन इस वक्त पन्द्रह मिनट मिलना तो मुश्किल है।

श्री मू० चं० जैन : मैं यह गुज़ारिश करना चाहता हूँ कि जेनरल डिस्कशन पर बहुत सी बातें कहनी थी। वे अब तो नहीं कहो जा सकती है और मैं अपनी बात को बहुत महदुद कर रहा हूँ। मैं यह जानना चाहता हूँ कि जो कनसेशन दिये जा रहे हैं, उन के दिये जाने में आखिर पालिसी क्या है।

उपस्थित महोदय : कनसेशन की बात फिर कह लीजियेगा। उस के लिये फिर मौका होगा।

श्री मू० चं० जैन : मैं यह अर्ज करना चाहता हूँ कि क्लॉज २ में कुछ एसेट्स (essets) को एसेट्स शुमार नहीं किया जा रहा है। इस बारे में मेरा कंडामेंटल इस्तलाफ़ है। उन आइटम्स को एसेट्स में से नहीं निकालना चाहिये। मिसाल के तौर पर इन आइटम्स में एनीमल्स (animals) को रखा गया है। पहले इस आइटम को महदुद रखा गया था, लेकिन अब उस को खुला छोड़ दिया गया है, जिस का नतीजा यह है कि उस में रेस-हास भी आ जाते हैं। मैं इस बात पर जोर देना चाहता हूँ कि डिस्पैरिटी को हटाने का हमारा जो मकसद है, उस की तरफ़ बढ़ने में हमारे पैर लरजते हैं।

क्लॉज 2 (e) (v) में जो कहा गया है, उस का नतीजा यह होगा कि अगर किसी भी कैपिटलिस्ट की मरजी हो गई तो वह अपनी प्रापर्टी को किसी के नाम पांच साल के लिये ट्रांसफर कर देगा और उस का शुमार किसी भी तरफ़ नहीं होगा। इस प्राविजन से टैक्स में खोरी होगी। मैं यह अर्ज करना चाहता हूँ कि किसी भी टैक्सेशन मेजर को लाते वक्त इस बात का क्याल रक्खना चाहिये

कि उस में इवेजुन न हो सके। इस बिल को साने में हमारा एक मसकद तो यह है कि बिल में डिस्पेन्डिटी को दूर किया जाय, लेकिन उस के साथ ही दूसरा मसकद यह भी है कि भूमीर लोग टैक्स की बोरी न कर सकें। अगर टैक्स की बोरी बढ़ जाय, तो कोई फायदा होने वाला नहीं है।

इन शब्दों के साथ मैं यह कहना चाहता हूँ कि जो अमैन्डमेंट्स मैंने पेश की हैं, उन को मंजूर किया जाय और सिलेक्ट कमेटी ने जो रियायतें दी हैं, उन को मंजूर न किया जाय।

श्री बृजराज सिंह : उपाध्यक्ष महोदय, मैंने क्लॉज २ में यह अमैन्डमेंट पेश की है —

Page 2,—

for line 14, substitute :

“(iii) live-stock used for purposes of agriculture;”

जो बिल हमारे सामने आया था, उस में मंशा यह नजर आती थी कि खेती के काम में आने लायक जो जानवर हों, उन पर यह टैक्स नहीं लगाना चाहिये। सिलेक्ट कमेटी से यह बिल जिस रूप में आया है, उस में तो रेस-हार्सिज भी इस में आ जाते हैं। इसीलिये मैंने यह अमैन्डमेंट रखी है कि केवल उन्हीं जानवरों को एग्जम्प्ट किया जाय, जोकि खेती के काम में आते हों। इस बिल में यह व्यवस्था की गई है कि दो लाख से नीचे की सम्पत्ति पर यह कर नहीं लगेगा। दो लाख से ऊपर की सम्पत्ति वाले शायद ही कुछ लोग निकलेंगे, जोकि खेती में काम आने लायक जानवर रखते हों। यह व्यवस्था तो सिर्फ रेस-हार्स वगैरह के लिये है। मैं चाहता हूँ कि “एनिमल्स” के बजाय यहां पर इन वर्ड्स को रख दिया जाये—

live-stock used for purposes of agriculture.

उपाध्यक्ष महोदय, मेरी दूसरी अमैन्डमेंट नम्बर १५ है, जोकि इसी क्लॉज के बारे में है। इस के बारे में मैं यह कहना चाहता हूँ कि—

उपाध्यक्ष महोदय : वह तो क्लॉज ४ पर है। जब हम उस पर आयेंगे, तब माननीय सदस्य बोल सकते हैं। वह अमैन्डमेंट इस क्लॉज पर नहीं है।

Mr. Deputy-Speaker: The hon. Finance Minister.

Shri T. T. Krishnamachari: I am very sorry to say, Sir, that I am not in a position to accept the amendments moved. So far as the amendment moved by my hon. friend Mr. Kar is concerned, it relates to the question of a concession about which I spoke only a few minutes ago. Acceptance of this particular amendment would logically mean the acceptance of other amendments. I, therefore, propose to retain the provision as it came from the Select Committee in this regard.

In regard to livestock, it may be difficult to evaluate them. Secondly, I do not think we should discourage cattle breeding. Supposing somebody has started a dairy farm and has a large number of heads of cattle. Maybe some of them might be valuable. I do not want to stand in the way of stud farms being started, or even breeding of horses. So far as race horses are concerned, as I mentioned, their value is extremely evanescent. The value of a race horse might have gone very high because it had won a race; the next day it breaks its leg and its value goes down. Therefore, it is very difficult to evaluate in such matters.

Having considered this question of animals I might even have to say that I accept this position in regard to animals used for purposes of agriculture. Somebody might keep eight dogs. I might ask what is the pedi-

[Shri T. T. Krishnamachari]

gree of the dogs and might evaluate them at Rs. 4,000. There is a feeling among Members that certain types of activity might be discouraged. Even there, there is a possibility of difference of opinion. I would like people to spend more money on cows and breeding bulls, and even horses. So, it is a matter where revenue considerations are not at all of any significance. I am unable to accept the amendment.

The question of use for agricultural purposes is difficult to decide. The cow may come out of it; only draught bull would be taken into account. A man has twenty cows. Are you going to evaluate them?

An Hon. Member: Domestic animals.

Shri T. T. Krishnamachari: Even a horse is a domesticated animal. If somebody keeps a tiger in Bombay am I to compute that it has got a value? The best way is to leave the animals out; let it be anything. There may be somebody who keeps; reptile. Any restriction is a restriction for the sake of some idea, not for the sake of revenue.

I now come to the point mentioned by Pandit Thakur Das Bhargava in regard to taking away the word "immediate". In fact, as he was arguing this point, I felt he was right. But I find, however, that the wording has been borrowed from the Income-tax Act. Section 2 (i) (c) of that Act says:

"Provided that the building is on or in the immediate vicinity of the land, and is a building which the receiver of the rent or revenue, or the cultivator or the receiver of the rent-in-kind by reason of his connection with the land, requires as a dwelling house, or as a store-house, or other out-building."

The words have been kept as they are. If I accept his amendment, some distinction has to be made and the

concession that he wants a person to obtain for his wealth tax would be negligible and would be less in the case of income-tax. I have been assured by my officers that if a man lives in a village and has a house with his farm further away, they consider it to be immediate vicinity even if it is a matter of a mile.

I think in actual practice whatever is being done in the case of the Income Tax Act will be followed, and I do not think any hardship will arise. If any hardship arises in regard to this, it is only a matter of construction and I hope my hon. friend will bring it to my notice, or anybody else will let me know the thing. Because of the fact that, if I alter the wording here I shall have to alter the wording in the other Act also, I am afraid, I do not want to expose myself to that position. Therefore, I would ask my hon. friend not to press his amendment.

Pandit Thakur Das Bhargava: Sir, may I say a word on this? This is a question of general principle. There are other amendments also to provisions which are to be found in the Income Tax Act. I want to change them here so that, ultimately, even in the Income Tax Act we may be able to change the provisions. Your ruling is that I cannot give an amendment unless it refers directly to a thing that is proposed in the Bill before the House. If in another Act you find a similar provision which is unjustifiable, which is wrong and is liable to be changed, that is no reason why we should not change the provision here. My other amendments will also be barred if you accept this principle.

Mr. Deputy-Speaker: Objection is not taken that amendments cannot be moved here and discussed. He is only giving his arguments why he is not prepared to accept the amendment.

Pandit Thakur Das Bhargava: That is exactly my point. If the ratio decidendi is that in another act a provision is found and therefore amendment is not acceptable, the

other act should be changed also. I can understand the argument, because everywhere the wording should be the same in cognate Acts. But, if the argument is good in regard to this Bill it is a good argument for changing the provisions in the other Act rather than resisting the amendment itself here.

Shri T. T. Krishnamachari: It is for the House to decide.

Mr. Deputy-Speaker: If the hon. Member can be assured that with the interpretation put on this 'immediate vicinity' a house would be considered as in the immediate vicinity even if it may lie a mile or two away if it is appurtenant to that land....

Pandit Thakur Das Bhargava: I have particularly no objection. But the interpretation was put by 'Sir Shunmukham Chetty on Section 25A about which I have said already. Today Shri T. T. Krishnamachari is saying this. He understands the situation. He says, if the abadi is one or two miles away he won't mind. Who can say about the future? They may change the interpretation is concerned, I am satisfied and I do not want to put it through.

Mr. Deputy-Speaker: I shall now put all these amendments to the vote of the House. The question is:

Page 2, line 9—

omit "immediate":

The motion was negatived.

Mr. Deputy-Speaker: The question is:

Page 3—

omit lines 21 and 22.

The motion was negatived.

Mr. Deputy-Speaker: The question is:

Page 2—

for line 14, substitute—

"(iii) live-stock needed for the raising of agricultural produce;"

The motion was negatived.

Mr. Deputy-Speaker: The question is:

Page 2—

omit lines 18 and 19.

The motion was negatived.

Mr. Deputy-Speaker: The question is:

Page 2—

omit lines 25 to 27.

The motion was negatived.

Mr. Deputy-Speaker: The question is:

Page 3—

omit lines 15 to 20.

The motion was negatived.

Mr. Deputy-Speaker: The question is:

Page 2—

for line 14, substitute—

"(iii) live stock used for purposes of agriculture;"

The motion was negatived.

Mr. Deputy-Speaker: The question is:

Page 2, line 14—

after. "animals" add "except race horses"

The motion was negatived.

Mr. Deputy-Speaker: The question is:

"That clause 2 stand part of the Bill."

The motion was adopted.

Clause 2 was added to the Bill.

Clause 3—(charge of wealth Tax)

Mr. Deputy-Speaker: Now we go to clause 3. What are the amendments to be moved?

Shri Sadhan Gupta (Calcutta—East): I beg to move:

Page 4—

for clause 3, substitute:

"3. Charge of wealth-tax. Subject to the other provisions contained in this Act, there shall be charged—

(a) at the rate or rates specified in the Schedule for the financial year commencing on the 1st April, 1957; and

(b) at such rate or rates as may be prescribed by any Central Act every other financial year, a tax (hereinafter referred to as wealth-tax) in respect of the net wealth on the corresponding valuation date of every individual, Hindu undivided family and company."

Pandit Thakur Das Bhargava: I beg to move:

Page 4, line 7—

omit "Hindu undivided family".

Shri M. R. Massani: I beg to move:

(i) Page 4, line 7—

omit "and company".

(ii) Page 4—

after line 8, add:

"Provided that the total of the wealth-tax, income-tax and super-tax charged for any financial year in respect of any assessee shall not exceed the total income assessed for income-tax purposes for that financial year of such assessee."

Mr. Deputy-Speaker: These amendments are before the House.

Shri M. R. Masani: My two amendments are Nos. 10 and 11. The first i.e. No. 10 does not need anything more to be said. It is for the deletion of the words "any company" in the charging section. Whatever arguments are to be advanced were, I think, advanced by me yesterday and I have nothing more to say today.

Amendment number 11 seeks to provide that the total incidence of

wealth tax, income tax and super-tax charged in any year on any particular assessee should not exceed the total income assessed for income tax purposes for that financial year. This is in pursuance of the argument that the tax should be on the accrual from wealth and not a capital levy to be repeated every year.

Pandit Thakur Das Bhargava: My amendment seeks to omit the words "Hindu undivided family" in line 7 on page 4. I do not propose at this stage to speak at length on the question whether a Hindu undivided family should be regarded as one in the category of assessable persons. I have had the benefit of hearing the hon. Finance Minister when he spoke in reply to the general debate for consideration. I can understand his point very well. The revenue considerations are supreme. They are not only supreme for him, they are supreme for all of us, as we do want our Five Year Plan to succeed. I would go further and say, even if you want to have capital levy, as you are having it in a measure, I am one for it. As long as the Plan is there let him bring forward any measure. As long as we are convinced that that measure is really necessary for the Five Year Plan, I am one of those who would go full length with him and will not care for any sacrifice from anybody as long as the Plan is to be put through.

The only condition is that first of all he should show to us that, as a matter of fact, all the economies that are necessary are being carried out and, secondly, there should be no waste. However, I do not want to see if anything is necessary or not, I for one will vote for him. So far as this matter is concerned, I am satisfied with the statement of my hon. friend that, as a matter of fact, he will appoint some committee sometime to go into this question because it is a live question. The Taxation Enquiry Commission refused to go into it, because the Succession Bills etc. were there. Previously, Mr. Schuster, Mr.

Slacket, Mr. Liaquat Ali Khan and others told me on all occasions that there is a very hard case of the Hindu joint family. They had a great sympathy for the Hindu joint family. My hon. friend has not gone deeply into the question. He will also have sympathy, but he has not committed himself. All along we have been told this. May I humbly ask him, how long he will continue this agony for the Hindu undivided family? I am not a member of a Hindu joint family, and I have never paid any tax as a member of a Hindu joint family, but I see the inequity of it. Simply because one belongs to a Hindu undivided family one has to pay *jazia*. This is not a sentimental question at all. If a family has an income of Rs. 4 lakhs and four members in that family, the man will get Rs 1000.

Mr. Deputy-Speaker: Before the hon. Member gets justice for the Hindu undivided family, the family will go.

Pandit Thakur Das Bhargava: Quite right. That is exactly my point. As I was saying, the monthly income of a member will be about Rs 1000 after deduction of income tax, super-tax etc. As the same time, if there was another family, a non-Hindu undivided family, every member in that family, if they are all working together, will get Rs. 4000 annually. In a Hindu joint family even labourers, even persons getting Rs. 50 will be taxed if there are four or five members, whereas others will not be taxed. This is inequitable, unfair. That is why I am fighting for it and I would request him to consider it.

Sir, you have just been pleased to make a remark which just reminds me of an old adage:

तत्रत्यक अज इराक धावरदा शक मार
गुर्जीदा मर्दा बवद

By the time you get the panacea from Iraq the person bitten by the snake will be over. I agree with our

hon. Finance Minister as I agreed with Dr. Ambedkar who brought in a Bill here for the purpose of liquidating undivided Hindu families. I also agree as a matter of despair....

Mr. Deputy-Speaker: If that is the alternative method of resolving this problem.

Pandit Thakur Das Bhargava: I agree. Sir, all are speaking of co-operation, co-operative banks, co-operative farming, collectivisation and so on. We have got a system in the Hindu undivided family which gives you co-operative insurance against many evils. It is no wisdom to destroy one institution and then go in for others which may or may not come. There is a Sanskrit proverb. It is like this:

यो ध्रुवाणि परित्यज्य भ्रुवं परिशेषत
ध्रुवं तस्य नरायन्ति ध्रुवं न मेव च,

15 hrs.

A person who wants to go after myth or after will-o'-the-wisp is not a wise man, because a certain thing he is losing and an uncertain thing may or may not come. You have got a very good system which was evolved by our ancestors and which has worked well for a thousand years. You want to destroy this, and go about creating other things. I do not know how far you will succeed. Anyway, I know this amendment is not going to be accepted. I therefore do not want to waste the time of the House. Yet, I will submit for the consideration of the hon. Finance Minister one point. After all, he may not do it today, or tomorrow he must do it before the next finance bill i.e. within a year. But he must go into it. What is the use of saying to me and to the entire world, "Well, I accept my friend's case which has to

[Pandit Thakur Das Bhargava]

be gone into. Justice requires it must be gone into, but I won't go into it". This is entirely wrong. On principle it is wrong. I know the revenue considerations are supreme today. And I admire him. As I once submitted before this House, as a commercial Minister he has succeeded. As a Finance Minister he will succeed and succeed in the Plan also. But, at the same time, I will ask him to keep up the tradition of our Congress Government. We want to be just. We do not want to get things through, if there is any injustice involved. I will therefore beg of him to agree to the appointment of a committee if not today, at least within a year. I will be quite satisfied. At the same time, I will rest content. This matter has been before this House for the last about 30 years since I came first to Parliament. From that day, it is hanging fire. My complaint is, whatever had been secured after a struggle of about 28 years, the Finance Minister, by one stroke of the pen, has set it aside. Be that as it may, if it pleases him to do so, let him please himself. I am not complaining, because we want money, but, at the same time, I will beg of him, with all the emphasis and with all the humility that I can command, that he may kindly appoint a committee within a year or so that the question may be finally settled.

Shri Sadhan Gupta: I have moved my amendment No. 92. It reads as follows:

Page 4, for clause 3, substitute,—

"3. Charge of wealth-tax.—

Subject to the other provisions contained in this Act, there shall be charged—

(a) at the rate or rates specified in the Schedule for the financial year commencing on the 1st April, 1957; and

(b) at such rate or rates as may be prescribed by any Central Act for every other financial year, a tax (hereinafter referred to as

wealth-tax) in respect of the net wealth on the corresponding valuation date of every individual, Hindu undivided family and company."

Now, the clause as it stands at present gives the Schedule as the only table of rates for levying the wealth-tax. In respect of a similar tax, namely, the income-tax, the clause provides for the levy of income-tax by a central Act, and we know that every year the Finance Act is passed providing for the rates of income-tax. It is proper that this should be so, because taxes like the income-tax or the wealth-tax or the expenditure tax, for that matter, have to be changed according to the necessities of the particular year to get the amount of revenue that is required to make adjustments in the tax structure that is desired. Here, what we provide is that taxes should be levied according to the Schedule. I know that every year the Schedule might be amended by the Finance Act, but it is better that we follow the same procedure as in the case of the levy of income-tax, in the matter of levy of wealth-tax also.

For one thing the Schedule prescribed here is very unsatisfactory. I can understand that at the lower levels wealth-tax might be levied at lower rates, but I do not understand why at the higher level we should not make the rate progressive and graduated in such a way that we have a considerable revenue from the wealth-tax. I have suggested repeatedly that there is a case for taking away the surplus wealth beyond a certain limit altogether for the purpose of getting revenue as well as for the purpose of getting social equality. Both these considerations are important and none of them is less important than the other. Therefore, as I visualise it, we shall have to—at least in any even if we are true to our socialistic professions—stipulate graduated rates from year to year. For this purpose, it is better that is

regulated by the Finance Act and not by the Schedule because it becomes a very cumbersome thing to have the Schedule amended every time. If you look at the Central Excise and Salt Act or the Indian Tariff Act, it becomes very difficult to know which amendment was passed and when. If you take a book from the Parliament Library, you will find all sorts of slips posted and it will be very difficult to make out which amendment is actually in force and which is not in force. It is better, therefore, that the amendment should be incorporated in the Finance Bill for the current year and you might refer to the Finance Bill itself to look at the table of rates which would apply to the income-tax or the wealth-tax or the expenditure tax or even to the central excises.

Therefore, from all these considerations, from the consideration of being able to graduate the rates steeply in future years, as well as from the consideration of having all these tax proposals and the tables and the rates in the compass of a single Act for the year, I suggest that the levy of wealth-tax should be made by the Finance Act. Of course, for the present year, it cannot be done, because the Finance Act has been passed. For the present year, therefore, the Schedule might be kept up. But, for the future, it should be done with the help of the Finance Act.

I know perhaps the hon. Finance Minister will reply that already he has given some sort of an assurance or denied some sort of a suggestion that he would increase the rate of wealth-tax. But it is equally clear that the country will not accept such an assurance, because the country wants that in a country like ours where so many people are languishing in poverty and are having to bear a heavy burden of taxation, at least the surplus wealth should be taxed before we can ask the people to pay taxes or before we can be asked to agree to a pruning down of the Plan or pruning down certain parts of the Plan. So, even in spite of the assurance, I would

plead that provision must be made for graduating the wealth-tax rates suitably in future years. Even taking the Finance Minister at his word that we have to proceed cautiously, let us make provisions so that we could in future years levy a higher and higher rate of wealth-tax on the excess wealth at the higher strata.

Shri Jhunjunwala: (Bhagalpur): I had no mind to speak on this clause, but still I want to say a few words, because I had no opportunity to speak during the general discussion. I wholeheartedly agree with the Finance Minister when he said that we have to care more for the targets than for resources. We have to make all attempts to get resources from any quarter we can in order to make our Plan successful.

Many instances of foreign countries where no such tax exists have been quoted. Many hon. friends had said that this is a new tax which is being introduced only here, it is nowhere in the world and so on. But we have to decide independently of what is in other countries. We have to act according to the circumstances as exist in our country.

Mr. Deputy-Speaker: The hon. Speaker said that if any Member who did not speak during the general discussion wanted to speak, he might speak on clause 2 and not under clause 3.

Shri Jhunjunwala: I made a request at the very beginning that I had no opportunity to speak during the general discussion.

Mr. Deputy-Speaker: He ought to have stood up during the discussion on clause 2.

Shri Jhunjunwala: Even under clause 3, the discussion is quite appropriate.

Mr. Deputy-Speaker: The hon. Member will say what he has to say in three minutes.

Shri Jhunjunwala: I shall take five minutes. My hon. friend, Shri Morarka, was quoting the instance of Sweden and said that there is no

[Shri Jhunjhunwala]
diminution in the capital; they charge only up to 80 per cent or something like that. I do not remember exactly. To those people who say that they have to pay more than 100 per cent, I shall say that if it is for the good of the country, if it is for the benefit of the human beings in India, in that case I shall request him to give up all his attachment to this wealth and come forward to the Government and say, "Everything is here", for the development of the country.

But there is one thing which I want to say. When the Government and the Finance Minister say that we shall have to find the resources from all sources I have my doubt whether the revenue which he will collect will be spent in the real interests of the country. I wish that our public sectors had fared, if not better, at least to the extent the private sectors have been doing. If that is so, I would have made the suggestion, which I just now referred to, that everybody should be prepared to place all his wealth at the disposal of our Government. But I feel—I have been studying the situation for the last ten years—that no public sector has fared properly and successfully, on the basis of which you can say that you want more taxes.

Keeping this principle in view, I support the amendment moved by my friend, Mr. Masani that the word 'company' shall be excluded from this. Particularly I would say that in the case of a company which consists of small shareholders, those shareholders should not be doubly taxed, once in the company and again as shareholders. The hon. Finance Minister said that the concessions which he has given to this class of people compensate much more than what they have been asked to pay. At least, I am not able to understand in what way he will support his contention. As there is no time, I cannot dialect further on the point.

Mr. Deputy-Speaker: The 5 minutes are over.

Shri Jhunjhunwala: I have placed only two points. One more point I would like to mention, which Pandit Thakur Das Bhargava has mentioned, is about the undivided Hindu family. About this, I will only say, just as you have remarked, simply because it is disappearing, we should not give it up in despair. Though there is no Hindu joint family existing at present, from the point of view of taxes, the sentiment is still there. The moment that sentiment goes, then you and I shall be thrown on the streets and nobody will care for us, just as they are uncared for in America.

Mr. Deputy-Speaker: I am not sure I will die earlier!

Shri T. T. Krishnamachari: My hon. friend, Pandit Thakur Das Bhargava, wanted me to amplify my statement. I am not in a position to say with any precision when we will undertake a revision ...

Mr. Deputy-Speaker: Unless the hon. Minister says it, it would be taken up again and again in the other clauses.

Shri T. T. Krishnamachari: I cannot say a thing which I cannot implement. The revision of the Income-tax Act is a thing which is engaging our attention. Some portion of this work has been remitted to the Law Commission and we expect a report from them. My colleague, the Law Minister, is at the moment engaged in finding out what are the provisions which need looking into by the House, and I think we will have to undertake a comprehensive amendment before long. I have some ideas with regard to particular provisions. When we will be undertaking a comprehensive review of the whole position, I am not able to say. But when we do that, I think that it is probably better even to solve this problem of the Hindu joint family to the extent that is possible.

The legal position is one thing and the practical position is another thing. As the hon. Deputy Speaker himself mentioned, the whole undivided Hindu family is undergoing a lot of changes, but not the least of it is due to the fact that by legislation this House has given certain rights to certain members of the family. It is very difficult for me to give a date; but when I take up this question of revision of the Income-tax Act, I cannot ignore one particular set of provisions which causes a lot of embarrassment. That is all I am in a position to say to my hon. friend, though I do not think it is quite right to say that the Hindu undivided family is so troubled or so worried as it is pictured to be. A joint Hindu family which gets an earned income of Rs. 4 lakhs pays by way of tax Rs. 2,82,000 and it has Rs. 1,18,000 left. But this is a matter which can be examined and found out, whether the question of breaking up the whole system might be better for the individual and probably better for the State itself. I think it has to be investigated. For the present, I am not in a position to commit myself.

Pandit Thakur Das Bhargava: If the revenue considerations demand it, you can do it as soon as possible.

Shri T. T. Krishnamachari: Of course, revenue will be the dominant consideration for making the revision, but other considerations are also there like administrative convenience, convenience of parties and so on. Anyhow, some revision of the law as it stands has to be undertaken and I think that will be the appropriate time for this question also to be examined.

Shrimati Renuka Ray: Why not accept the Dayabhaga system?

Shri T. T. Krishnamachari: So many solutions are offered, but I never believe in short-cuts.

On this question of companies, I do not think Mr. Masani himself has any expectations of any reply. He expects

apparently some reply in regard to the question whether the tax should be 80 per cent of the person's income or not. The point he misses, which I think he is missing often, is that this matter has been completely thrashed out, threadbare by the Select Committee. You cannot tax a person who has got purely unearned income, income on property which is non-yielding and which is not being properly looked after. He ought to take the earned income. If today anybody has earned income, I do not think that the coffers would suffer. There must be a large portion of the earned income and that is exactly what we say today. Do not let people who have a lot of intelligence and who undoubtedly are able to manage their property keep quiet; let them work and let them earn in order to sustain their property. If it happens that the corpus is to be sold, let the person who owns it work and earn money to sustain the property. Sometimes, we work for holding on to something which we like a treasure or something which we do not like to sell. There must be human effort, productive effort if you want to sustain property. It is undoubtedly on the basis of a person who has got no earned income. May be he has property worth Rs. 30 or 35 lakhs and his income and tax liability might more or less tally. That is a contingency which will not happen in actual fact. There is no point in it. We are not thinking in terms of experimenting in a glass case. Human nature is such that a person will work and he will earn if the property is worth while maintaining; he will earn to pay the tax on the property, in order not to sell the property. I do not see why an obligation should be laid on this House that in a matter of maintenance of property, whether it yields money or not, whether it is productive or not, it must be maintained at all costs.

It was said that nobody should pay more than 80 per cent of what he gets on properties which are not well managed, and the law should be such. This question has been thrashed out

[Shri T. T. Krishnamachari]

by the Select Committee. The Select Committee did not think it was right to put any check of that nature. The property must be made to produce if it wants to live. The property owner who is the live representative of the property, must work and make the property produce. It cuts against the very principle that we want all property in the country to produce. To give exemptions of this nature means, *status quo* prevails. If the taxation was as it was before the Finance Bill was accepted by this House, 94 per cent, I do not think any wealth-tax could be collected from the people at the top income-tax slab. I do not think we bargained for anything of that nature. I am unable to accept the amendment.

So far as Shri Sadhan Gupta's amendment is concerned, it is logical. What you do in the case income-tax you should do everywhere else, on the basis that what is sauce for the goose is sauce for the gander. He says, I want to give you power so that you can alter it. But, unfortunately, it is not like the income-tax Act. A tax of this nature is not something which you can change every day. You might change. Nobody says that the omnipotent Parliament should accept for all time to come a suggestion made by an insignificant individual in 1957. It can change. But, let it change in a straightforward manner. Why should it be put in the Schedule of the Finance Bill. I find no particular merit in this. This Income-tax Act is a complicated thing. I do not see any particular merit in putting it in the Schedule. I am not prepared to accept the proposition that any change would be warranted or possible now. Of course, he says that properties should go and we must progressively chop off the tall limbs. It is possible. If my hon. friend imagines himself to be Procrustes, it is a beautiful exercise to call people and tell them, stretch yourself, and then chop off the limbs or stretch the body. I have no Procrustean inclination as the moment. I am content with the Bill

as it stands and I am unable to accept the amendment of Shri Sadhan Gupta.

Mr. Deputy-Speaker: I shall now put the amendments Nos. 92, 9, 10 and 11 to the vote of the House. The question is:

Page 4—

for clause 3, substitute:

"3. Charge of wealth-tax.—Subject to the other provisions contained in this Act, there shall be charged—

(a) at the rate or rates specified in the Schedule for the financial year commencing on the 1st April, 1957; and

(b) at such rate or rates as may be prescribed by any Central Act for every other financial year, a tax (hereinafter referred to as wealth-tax) in respect of the net wealth on the corresponding valuation date of every individual, Hindu undivided family and company."

The motion was negatived.

Mr. Deputy-Speaker: The question is:

Page 4, line 7—

omit "Hindu undivided family".

The motion was negatived.

Mr. Deputy-Speaker: The question is:

Page 4, line 7,—

omit "and company".

The motion was negatived.

Mr. Deputy-Speaker: The question is:

Page 4,—

after line 8, add—

"Provided that the total of the wealth-tax, income-tax and super-tax charged for any financial year in respect of any

assessors shall not exceed the total income assessed for income-tax purposes for that financial year of such assessors."

The motion was negatived.

Mr. Deputy-Speaker: The question is:

"That clause 3 stand part of the Bill."

The motion was adopted.

Clause 3 was added to the Bill.

Clause 4—(Net wealth to include certain assets.)

Shri Prabhat Kar: I beg to move:

Page 5,—

omit lines 6 to 10.

Pandit Thakur Das Bhargava: I beg to move:

Page 5, line 10—

add at the end:

"and so also the bonafide and genuine transfers effected after the 15th May, 1957 in which absolute rights on property have been transferred shall not be included in the computation of his net wealth."

Shri Braj Raj Singh: I beg to move:

Page 5, line 18,—

omit "for a period exceeding six years or"

Shri Basappa (Tipur): I beg to move:

Page 5, line 8,—

for "the 15th day of May, 1957" substitute "the 1st day of April, 1956."

Shri Prabhat Kar: In this amendment of sub-clause 4. Here it has been ment No. 74, I have asked for deletion stated,

"Nothing contained in clause (a) of sub-section (1) shall apply to any such transfer as is referred to therein made by an individual before the 15th of May, 1957, and the value of any assets so transferred shall not be included in the computation of his net wealth"

My only point is, if a transfer is bona fide transfer, there are provisions to safeguard against any harassment. If it is mala fide, it does not matter whether it has taken place before 15th of May or after the 15th of May. The Wealth-tax officers should have the right to go into such transfers and find out whether the transfer itself was bona fide or mala fide. Therefore, I would like that this particular clause should not be there. While computing the wealth-tax, the Wealth-tax officials should have the right to go into any transfer that has been made to find out whether it was made for the purpose of evading taxation. I want to move this amendment.

Shri Basappa: Sir, I think it was Shri Nathavani who classified the criticisms in this House on this wealth-tax under two headings: those who say that the Wealth-tax Bill as it has come out from the Select Committee has whittled down and others who say that the Bill has gone too far. I have no hesitation in saying that it is not wrong to say that it has been whittled down to some extent. If only we look at the objects of the Bill, we will find it stated that it is intended not only to bring more revenue to the Government and also to bring about a socialistic pattern of society in this country. Looking at it from that point of view and taking the administrative machinery into consideration, I feel that the income derived will be less.

Mr. Deputy-Speaker: These amendments are before the House. We shall have to accelerate our pace now if we want to finish.

Again, the concessions that have been given and the exemption made will not also be in the interests of

[Shri Basappa]

revenue. Besides that, if we have in our Bill certain loopholes and certain avoidance of tax, then, it will go down in value. Therefore, I say, although I respect the report of the Select Committee—I have nothing to say against it—I only say that the report of the Select Committee has been subject to some sort of criticism here. Of course, I have seen reports of Select Committees in the past. From what is seen today, I find that we have to scrutinise this report a little more carefully. Of course, our Finance Minister has said that apart from his personal view, he completely identifies himself with the report of the Select Committee. I do not deny it.

Mr. Deputy-Speaker: Is the hon. Member going to scrutinise the whole report?

Shri Basappa: As you know, I am one of the rare speakers in this House. I have not taken part either....

Mr. Deputy-Speaker: He may try his luck during the third reading.

Shri Basappa: I will not take much of the time of the House. The Finance Minister has moved this House to a very great extent when he said the other day that we must all work here to make the Plan a success. He has given his own example that the day begins at 5-30 A.M. and ends at 11-30 P.M. He has said that the people of this generation owe a duty to the people at large. Without saying much on these aspects, I come to the relevant amendment.

My amendment is simply this. In clause 4, sub-clause (4) the 15th of May 1957 may be substituted by 1st April, 1956. My reason is this. As I was saying, evasion of tax is a very common feature here. We must see that we prevent tax evasion or avoidance of tax. With that purpose in view, clause 4, sub-clause (4) has been brought in to see that there is no mala fide transfer. While computing the wealth of a person, there should be no loop-holes. When the

Bill was first introduced, there was no such sub-clause. The Select Committee, in their wisdom have introduced this sub-clause. Therefore, we have to examine this sub-clause. This restricts the power to prevent tax evasion. Clause 4 wants to prevent evasion. Sub-clause 4 seeks to restrict that right. The reason probably may be, that 15th of May, 1957 was the date on which the Bill was introduced and from that time, we shall consider. I say, this assumption is wrong. People already knew that this Wealth-Tax Bill would come into force. So they have taken steps to see how this tax can be avoided. The capitalists have already transferred so much of their property. All that wealth must be brought in for the purpose of the Wealth-Tax Act. So, I suggest the date "15th May" may be substituted by "1st April 1956". Then we will be able to tax a little more wealth. With much respect to the Select Committee, I say that they have acted wrongly. We have to rectify that. I hope the Finance Minister will agree to my reasonable proposal and will allow the amendment.

श्री मू० चं० जैन : उपाध्यक्ष महोदय, मुझे यह गिला है कि हमारे फाइनेंस मिनिस्टर साहब चूंकि हिन्दी नहीं समझते इसलिये जब मैं हिन्दी में तक्रार करता हूं और कोई अपना प्रमेडमेट मूव करता हूं तो उस का वे कोई जवाब नहीं देते हैं और उस से मुझे बड़ी तकलीफ पहुंचती है। लेकिन शायद वे हिन्दी नहीं जानते इसलिये उन की भी मजबूरी है और इसलिये मैं अपनी बात अंग्रेजी में कहने की कोशिश करूंगा ताकि वह मेरे प्वाइंट्स का जवाब दें।

An Hon. Member: Please talk in English so that the hon. Minister may follow.

Shri M. C. Jain: Before speaking on my amendment to clause 4, I wish to bring to the notice of the Finance

Minister one defect in the drafting of clause (1). It says "In computing the net wealth of an individual, there shall be included..." Only the word "individual" has been mentioned. Even the Karta of a joint Hindu family can transfer the assets. But those assets will not be included if the word "individual" alone remains. There are four items in clause (a). Three items will not be covered; the fourth will, of course, be covered. In the case of the Hindu family, if the Karta transfers interests, what will be the position. Item (iv) says:

"by a person or association of persons to whom such assets have been transferred by the individual otherwise than under an irrevocable transfer".

My point is this. If the Karta of the joint Hindu family transfers a part of his assets to a person or a body of persons then such assets will not be included in the assets of the joint Hindu family and, in this manner, there will be considerable evasion. This is one point which I want to bring to your notice. The amendment of which I am a joint mover relating to this clause reads thus:

Page 5, line 18,—

omit "for a period exceeding six years or".

The Explanation defines an "irrevocable transfer." It says:

"..... 'an irrevocable transfer' includes a transfer of assets which, by the terms of the instrument effecting it, is not revocable for a period exceeding six years or during the lifetime of the transferee."

My amendment suggests the omission of "for a period exceeding six years or". My argument is, of course, simple. The transfer should be irrevocable, not after a period of six years, but immediately and that no such transfer should be excluded.

Pandit Thakur Das Bhargava: My amendment reads:

Page 5, line 10—

add at the end:

"and so also the bona fide and genuine transfers effected after the 15th May, 1957 in which absolute rights on property have been transferred shall not be included in the computation of his net wealth."

I think the hon. Finance Minister will accept the principle that so far as substantive rights in property are concerned—and the right to transfer is one of them—they cannot be controlled, they cannot be nullified by any fiscal measure. As you know, under article 19(f), every person has got a right to hold and dispose of his property, and this right is being practically taken away, or at least unreasonable restrictions are being put upon them by this measure. I know very many cases in which, if this is allowed to remain as it is, very great difficulties are bound to arise. Take the case of a Mohammedan who has to pay dower to his wife. What happens? He cannot pay; or at least there are restrictions upon it. Similarly, supposing there is a settlement at the time of marriage under which the wife is to live with her husband. There is, of course, provision if she wants to separate. But supposing a wife lives with her husband on the basis of an agreement. Suppose that at the time of the marriage it is settled between them that certain properties will be transferred to her afterwards. Even those properties are not allowed to be transferred under this law and, if they are transferred, the transfer will not be recognized as such. Similarly, the property might have been acquired by the joint efforts of the husband and wife and the wife may be entitled to the property. Even that is affected. It is going too far. If there is an attempt to hoodwink the wealth tax authorities and if there is any mala fide in it, I can understand that. The income-tax officers refuse to recognise it. But in a case where a transfer is

[Pandit Thakur Das Bhargava]

bona fide and genuine, I cannot think of any principle, so far as the Income-tax Act is concerned, whereby the income-tax officer shall say: I will not recognize that transfer. That transfer must be recognized. Otherwise, it means a great restriction on the fundamental right, which has been conferred by the Constitution. If this law is adopted, what will happen to the Succession Act and other similar Acts, which confer certain absolute rights. They will all be affected by this Bill. That means, you are making a discriminatory legislation in favour of the husband so that no transfer can be made to the wife, thereby prejudicing the right of half the population of India. All the wives are entitled to their property. If they get any property from the husband why not recognize the transfer? If it is *mala fide*, don't recognize it. But this right should be there. I hope the hon. Minister would agree to accept my amendment and to do justice to the women in this land and to recognize actual, *bona fide* and genuine transfer.

Shri R. S. Lal (Domariaganj): I want to move my amendments 12 and 20.

Mr Deputy-Speaker: But amendment No. 20 does not relate to this clause. Only amendment No. 12 relates to this.

Shri R. S. Lal: I beg to move:

Page 5, line 8—

for "the 15th day of May, 1957" substitute "the 1st day of April, 1957"

My suggestion is that this Bill should come into operation from 1st April and not from 15th May because that would be in tune with the financial year. Other hon. Members have already supported this and I hope the hon. Finance Minister will also accept this.

Mr. Deputy-Speaker: Amendment moved:

Page 5, line 8—

for "the 15th day of May, 1957" substitute "the 1st day of April, 1957."

Shri Hajarnavis (Bhandara): I want to reply to the point raised by Pandit Thakur Das Bhargava. He said that the section that is proposed to be enacted will contravene article 19 and, therefore, it is likely to be declared invalid because, according to him, it puts a restriction, which is unreasonable, upon the power of transfer. I might bring to your notice that a section like this has already been there on the statute book, namely, section 18 of the Income-tax Act and, though it has been there for a long time, no lawyer and no person affected by such section has yet raised any objection in any court that such a section, by which the husband, wife and minor children, are grouped together for the purposes of taxation is invalid or is in any way hit by the fundamental right under article 19. The proposed section does not in any way restrict the right of transfer. Does it say that if the transfer is made, it will not be valid? Does it say that if a title is created, it will not be recognised? Under the civil law, the title created by the transfer is perfectly valid. No objection can be raised to the title, but for a specific purpose all that the Bill says is that we will regard the husband, wife and the minor child as one taxable unit. Pandit Thakur Das Bhargava who is such a vigorous champion of the Hindu joint family will admit that the husband, wife and the minor child will always live together, and therefore all the property that they have in possession, whether entered in the name of the husband or of the wife or of the minor child who presumably will always be with them, should be regarded as one economic unit on which the tax is imposed. Thus regarded, I think it is a most natural provision of law, and if we did not do it, what will happen is that all the persons in the family would, while

enjoying the advantage of the property together, be able to escape the tax by dividing the title between themselves. Therefore, I submit that the clause is proper. 1

Shri T. T. Krishnamachari: There is one point raised by Shri M. C. Jain, I do not think there is any substance in it, that there is the word "individual" right on top of clause 4, and therefore the Hindu undivided family would be left out. Actually it does not mean an individual.

Mr. Deputy-Speaker: The hon. Member complained that he was not getting replies for his criticism. When the reply is being given, he is not here.

Shri T. T. Krishnamachari: In regard to clause 4, hon. Members will see that the amendments moved more or less cancel each other. Shri Prabhat Kar wants sub-clause (4) to be dropped so that all transfers made at any time can be questioned, if it is thought to be within the questionable area, and on that basis assess the property that has been so transferred as being property of the assessee. I would certainly say, from a purely personal point of view, from the point of view of a Finance Minister, that there is no objection to that amendment. On the other hand, the amendment as it is which the Select Committee had accepted itself restricts the scope of any question that we might raise in regard to transfer by means of a provision in this particular clause to anything that has happened after 15th May, 1957, which I think is extremely restrictive for this reason that if anybody wanted to transfer property merely because it was said that the wealth tax was in the offing, he had good enough excuse to do so much earlier than 15th May, 1957. Actually at the time when my predecessor was here Mr. Kaldor's report was talked of, and he himself referred to the report in his Budget Speech early in 1956 and there were reports in various papers about the wealth tax being considered by Government, and it was more or less common knowledge that Government were working on a tax of this nature. So, the equities of the situation would

certainly demand an amendment similar to what has been proposed by Shri Basappa being accepted which, at any rate, fixes the time to a time where a transfer could have been made for the purpose of avoidance of the wealth tax. The Select Committee had discussed this matter considerably and they had decided on this particular amendment. From the point of view of the administration, Shri Prabhat Kar's amendment is quite suitable for us, but I do not know if it would be just to question all transfers which had taken place at a time when there was no question of evading this particular tax. I think the time-limit fixed by Shri Basappa is reasonable. I would therefore be disposed to accept the amendment of Shri Basappa in this regard and I will be grateful if Shri Kar will not press his amendment.

The next question is the point raised by my hon. friend Pandit Thakur Das Bhargava. Of course, what he wants is an extension. Of course, the question is whether it is *bona fide* or *mala fide* if the transfer is made to parties which are mentioned in Shri Basappa's amendment provided the House accepts his amendment, or, if they do not, as it is today, unless other considerations are there to show that the transaction was some thing which is completely honest and that there is no intention of defrauding and things of that sort. I cannot see how we can accept Pandit Thakur Das Bhargava's amendment as explained by Shri Hajarnavis.

Pandit Thakur Das Bhargava: With your permission, may I put a question? Supposing the transfer is on behalf of the wife in favour of the husband, what would happen? Would that be good or bad?

Shri T. T. Krishnamachari: It all depends upon the intention. The mere fact of a transfer cannot be said to be good or bad unless we know the intention for the transfer, why it

[Shri T. T. Krishnamachari]

was made. If the transfer was made, or in effect operates in mitigation of the tax claim, I think the transfer from the point of view of the Wealth Tax Act would be a bad transfer, but I cannot take up a case and judge it to be good or bad without the other circumstances that follow.

The other suggestion was made by Shri M. C. Jain in regard to omitting the period of six years from the explanation. Again, this is a matter in which the Government would probably have welcomed this amendment, but I do feel that since again this is a matter which has been very much discussed in the Select Committee I should suggest to my friend not to press it. If we find anything of this nature really retards our being able to collect the requisite income, we can think over the matter again. For the time being I should ask him to forgive me if I say I am unable to accept any amendment other than that of Shri Basappa.

Mr. Deputy-Speaker: Then amendment 13 is accepted?

Shri T. T. Krishnamachari: I am willing to accept it provided the House gives me permission.

Mr. Deputy-Speaker: Then I put amendment 13 to the vote of the House. The question is:

Page 5, line 8—

for "the 15th day of May, 1957" substitute "the 1st day of April, 1956"

The motion was adopted.

Mr. Deputy-Speaker: Then I come to the other amendments.

Shri Prabhat Kar: In view of the amendment that has been accepted, I shall not press my amendment 74.

Mr. Deputy-Speaker: Is it the pleasure of the House that he might have permission to withdraw.

Hon. Members: Yes.

The amendment was, by leave, withdrawn.

Mr. Deputy-Speaker: Now I put amendments 12, 14 and 15. The question is:

Page 5, line 8—

for "the 15th day of May, 1957" substitute "the 1st day of April, 1957."

The motion was negatived.

Mr. Deputy-Speaker: The question is:

Page 5, line 10—

add at the end:

"and so also the bona fide and genuine transfers effected after the 15th May, 1957 in which absolute rights on property have been transferred shall not be included in the computation of his net wealth."

The motion was negatived.

Mr. Deputy-Speaker: The question is:

Page 5, line 18—

omit "for a period exceeding six years or".

The motion was negatived.

Mr. Deputy-Speaker: The question is:

"That clause 4, as amended, stand part of the Bill."

The motion was adopted.

Clause 4, as amended, was added to the Bill

Clause 5— (Exemptions in respect of certain assets)

Shri Narayanankutty Menon: I beg to move:

(i) Page 5—

after line 25, add:

"Provided that the assessee does not derive any monetary relief therefrom."

(ii) Page 5—

omit lines 23 to 26.

(iii) Page 7—

omit lines 5 and 6.

Shri Prabhat Kar: I beg to move:

(i) Page 5—

omit lines 28 to 32

(ii) Page 6, line 15—

after "wearing apparel" insert "jewellery".

(iii) Page 6, line 17—

after "assessee" add:

"subject to a maximum of twenty-five thousand rupees in value".

(iv) Pages 6 and 7—

omit lines 34 to 37 and 1 to 4 respectively.

(v) Page 7—

omit lines 26 to 31.

Shri Sadhan Gupta: Sir, I beg to move:

(i) Page 6, line 17—

add at the end:

"subject to a maximum of five thousand rupees in value."

(ii) Page 6, line 17—

add at the end:

"subject to a maximum of ten thousand rupees".

(iii) Page 6, line 19—

add at the end:

"subject to a maximum of five thousand rupees".

(iv) Page 7, line

add at the end:

"subject to a maximum of five thousand rupees".

(v) Page 7, line 6—

for "twenty-five thousand rupees" substitute "five thousand rupees".

(vi) Page 7, line 10—

add at the end:

"subject to a maximum of five thousand rupees in value".

(vii) Page 7, line 10—

add at the end:

"subject to a maximum of twenty-five thousand rupees in value".

(viii) Page 7—

omit lines 21 to 25.

(ix) Page 7, line 25—

add at the end:

"subject to a maximum of ten thousand rupees in value".

Shri S. Ghose (Burdwan): Sir, I beg to move:

(i) Page 5, lines 24 and 25—

for "for any purpose of a charitable or religious nature in India" substitute "exclusively for charitable and religious purposes of public character".

(ii) Page 6, line 18—

after "implements" insert "including tractors".

Shri Braj Raj Singh: Sir, I beg to move:

Page 5, line 22,—

add at the end:

"provided that the total value of the assets exempted under items (iii), (iv), (vi), (vii), (ix), (x), (xi), (xii), (xiii), (xiv), (xv) and (xviii) of this clause shall not exceed Rs. 50,000 in any case".

Shri M. E. Masani: I beg to move:

(i) Page 5—

for lines 33 to 36, substitute:

"(iv) one house belonging to the assessee exclusively used by him for residential purposes."

[Shri M. R. Masani]

(ii) Page 6, lines 26 and 27—

omit "subject to a maximum of ten thousand rupees in value".

Pandit Thakur Das Bhargava: I beg to move:

(i) Page 5—

after line 36 add:

"(ivA) one building in the occupation or ownership of every assessee used by him and his family as the dwelling house."

(ii) Page 7, line 6—

for "twenty-five thousand" substitute "twelve thousand and five hundred".

(ii) Page 7, line 6—

add at the end:

"and in case the assessee is an undivided Hindu family subject to a maximum of twenty-five if the family consists of two coparceners and to a maximum of thirty-seven thousand five hundred if it consists of more than two coparceners."

Shri Siddiah (Mysore—Reserved—Sch. Castes): Sir, I beg to move:

Page 5—

omit lines 28 to 36.

Shri Shankaraiya (Mysore): Sir, I beg to move:

(i) Page 5, line 28—

for "any one building in the occupation of a Ruler" substitute:

"any one building other than a State Property belonging to the Ruler exclusively used for residential purposes by him".

(ii) Page 5—

for lines 33 to 36, substitute:

"(iv) one building belonging to the assessee used by him for his residential purposes;"

Shri M. C. Jain: Sir, I beg to move:

(i) Page 7, line 10—

add at the end:

"Wealth-tax shall not be payable on such certificates but the value of any such certificates so exempted shall be included in computing the net wealth of the assessee".

Shri Nathwani: Sir, I beg to move:

Page 8—

omit lines 1 to 4

Shri S. V. Ramaswami (Salem): Sir, I beg to move:

(i) Page 6, line 27—

for "ten" substitute "twenty".

(ii) Page 6—

after line 27, insert:

"(xii) Instruments and other apparatus used by the assessee for purposes of scientific research."

Mr. Deputy-Speaker: These amendments are before the House

Shri V. P. Nayar: Sir, before I speak on the amendments, may I seek your permission to offer a word of personal explanation in respect of the observation of the Chair about me yesterday? Sir, while I was not in the House, the Chair made the observation that I had tried to hit the Finance Minister without any justification. 'I want only to submit to you that at the time when I came into the House I had actually seen the Finance Minister taking one of the most important officers of a news agency and conversing with him. I thought that was not a matter which was more important than the business of the House, and therefore I wanted it to go on record. I have nothing more to say about it.

Speaking about the amendments I would say that I support.....

Shri T. T. Krishnamachari: May I ask if the hon. Member says that it is a justification for him to characterise somebody else's conduct as impertinent? I am told that it is an unparliamentary word.

Shri V. P. Nayar: It is not.

Shri T. T. Krishnamachari: If it is a question of using unparliamentary language, I suppose many people can use it. But what has it got to do with my talking to somebody outside? Am I governed by a code in which I cannot talk to anybody without my hon. friend's permission and he must characterise my conduct as something which is not pertinent?—to use a parliamentary language.

Mr. Deputy-Speaker: So far as this question whether the word is parliamentary or not is concerned, I think no further decision on that is required. Because, yesterday I had made the observation that irrespective of the fact whether it is parliamentary or not—and, in my opinion, in the context in which it was used, perhaps it may not be unparliamentary—even then, it is not only unparliamentary words that are not to be used; there is a code of conduct prescribed here that there are even other words which should not be used. Therefore I took that exception and said that it was not justified. I had said that and therefore there was nothing more required on my part.

Now Mr. Nayar has said that he had seen the Finance Minister and because he was busy talking with some representatives of the Press, therefore he had to make that remark that it was not as important as the business in this House. This is his explanation. But this has nothing to do so far as the Minister is concerned. I had made the remark that the Minister might have been busy in some more important work and therefore without ascertaining what the Minister had been doing there and without knowing whether there was something very important which could not be avoided, the hon. Mem-

bers should not make such remarks in the House. That was my objective. So, that matter should be considered as closed now. There is nothing more to be said on it.

Shri A. K. Gopalan (Kasargod): Sir, I wanted to intervene in this context, because I want to raise it also. I did not want to raise it today, but I certainly wanted to raise it.

I just now went and saw the report of what the Finance Minister had said regarding Shri Narayanankutty Menon. If the Finance Minister would only go and read what he had said, he would feel sorry. If he sees the paragraph relating to "conception" and "conceive", it will be understood.....

Mr. Deputy-Speaker: All that was said on previous occasions cannot be taken up at present.

Shri A. K. Gopalan: But if the Finance Minister thinks that what he has said is correct, I wish to say that I saw today what he has said

Mr. Deputy-Speaker: I think he should not interrupt the business.

Shri A. K. Gopalan: Then we will take it tomorrow.

Mr. Deputy-Speaker: I do not make this promise that I will take it up tomorrow.

Shri V. P. Nayar: Sir, I do not wish to continue that subject. My only intention was to apprise you of the actual situation.

I support the amendments moved by Shri Narayanankutty Menon, Shri Sadhan Gupta and Shri Prabhat Kar about the exemptions granted to the princes. This morning we heard the Finance Minister interpreting the Constitution and saying that long before Mr. Menon had occasion to go through the Constitution, he had himself been responsible for drafting a very substantial portion of this particular provision. I grant that. Some of us who had been here had

[Shri V. P. Nayar]

occasion to go through the debates on the Constitution itself and we have also recognised the role which the Finance Minister had played. He said that he had done very hard work on that. I grant it. But doing very hard work does not help in the least for an understanding. Otherwise, if we were to extend the same logic, one should also argue that the beasts of burden are the best to understand. I want to leave it there.

Why is it that the bogey of constitutional impediments are raised off and on?

15-58 hrs.

[SHRI BARMAN in the Chair]

The hon. the Finance Minister knows that no such interpretation of the Constitution can be given in fairness to the wording of the Constitution. Article 362 is being cited as an impediment to bring within the competence of this Bill the class of Rulers. What is article 362? I do not want to discuss all the details, but it is abundantly clear from the wording of this particular article that it only wants that due regard shall be had to the guarantee or assurance.

I have before me the White Paper by the Ministry of States on the various agreements. I do not find a single provision in any of the agreements with any of the princes which would take such a step outside the competence of legislation by this House.

Then he also said that it was not possible to have an estimate of the wealth held by all the ex-Rulers. I was surprised to hear that. It was only yesterday, or day before yesterday when I asked a specific question about the cash securities and cash balances held by the princes that my hon. friend the Minister in charge of the Ministry of Home Affairs said that every ex-Ruler had reported as long back as 1949 about their holdings.

16 hrs.

In the Home Ministry they have all the information about the holdings. Yet the Finance Minister comes and tells us that he has had no occasion to compute the wealth of the princes. I also find that it is not merely available; it was mandatory on the princes by virtue of a provision in the agreement. I do not want to tire the House, but here is an agreement with H. H. the Maharaja of Mysore regarding privy purse, private property and rights and privileges. It is stated on page 387 of the White Paper:

"The Maharaja will furnish to the Government of India before the 23rd January, 1950, an inventory of all the immovable property, securities and cash balances held by him as such private property."

I suppose all princes of States which had merged with the Union were compelled to do so by virtue of certain provisions in the agreement. Where then is the difficulty to assess the wealth? The Finance Minister said that it was not possible. That is why we say here that the Government has a soft corner when the question of Rulers comes.

I can give another instance. It was not long ago that the hon. Home Minister gave us some idea when a question was put to him about contributions to the national loans by the princes. He said that Government will not disclose it, but he said—I can assure hon. Members that the total contribution is not a considerable sum. What are we to take from this? It is a very simple proposition. Here are a class of people whose wealth in every detail ought to have been known to Government. Whether in the inventories they have submitted to Government, they have completed all the information or no, is not a matter for me. But the hon. Finance Minister should not tell us in this year, long after the inventories

had been submitted, according to the version given by another Minister—though he would not disclose the total figure because such a disclosure of the total holdings, whether in cash balances, securities or otherwise, might prejudicially affect the public interest according to him;—that is a different matter—that he could not have any estimate prepared.

I would also submit that this attitude should not be continued in the interest of the revenues of the State. A palace of one of the ex-Rulers may be worth so many lakhs—it may run into several lakhs of rupees. Are we going to give him exemption for that? It is not as if we are taxing people whose capacity for paying tax has been broken. It is certainly a tax on a section which can afford.

I do not want to go into the merits or how the Rulers have to be taxed more. That is not the point. But in such a situation as we are today, there is no case at all for the Finance Minister to exempt a class of persons who could very easily pay the tax which, in its incidence is, after all, very small.

Then take the case of heirlooms also. The value of these heirlooms can never be computed. May be the Finance Minister may say that it is all unproductive, we are not very much concerned about it. But why is it that they have these also exempted?

I submit that the House should reconsider this point, and having regard to the fact that we require to pool all our resources, we must amend the clause and should not give any exemption to the princes as a class. For suggesting this, the hon. Finance Minister might get up and say that we are enemies of the Plan—or suggesting ways and means by which he should raise more money from people who can pay! We are accused of being enemies of the Plan for making such suggestions. He forgets that if he wanted to see who his enemy was, it was better for him first to go

to a mirror, and there he shall behold enemy No. 1 of the Plan. Thank you.

Shri Narayanankutty Menon: As regards the amendments standing in my name along with that of Shri Sadhan Gupta's, I will speak only on amendment No. 94 which seeks to add after clause 5(1)(i) a proviso that the assessee does not derive any monetary relief therefrom.

I have tabled this amendment because of a very apprehension at the wording of clause 5(1)(i). This leaves a loophole for evading this tax by the so-called trust that is in existence today. I submit this amendment also because of the fact that in the nature of the law of trust prevailing in India today concerning trusts and charitable institutions, there may be a large avenue for evading the tax. As primarily the point has been accepted that the wealth of charitable institutions, if they are charitable or religious institutions, should not be taxed, I think the hon. Minister will not mind adding a safeguard against any possible tax evasion. As we see the interpretation that the Minister gave to article 362 of the Constitution, I am all the more afraid that many more interpretations may come in as far as clause 5(1)(i) is concerned; in order to avoid all that, I seek to add a safeguard in terms of my amendment after clause 5(1)(i).

Another aspect I want to refer to is in respect of item (iv) of sub-clause (1) of clause 5 which gives exemption to a house in the municipal limits. As we have already given a series of exemptions in terms of furniture, jewellery and all other aspects and we have retained the minimum slab at Rs. 2 lakhs, it is our view that a person who has got a net wealth of Rs. 2 lakhs could afford to pay a little tax on his house. What is more, it may become dangerous; a house in itself will become very costly and in the name of the house, there may be large-scale evasion. Rs. 2 lakhs in India is a very reasonable amount we are going to accept as the minimum slab. Over

[*Shri Narayanankutty Menon*]

and above this, if a free house in the municipal limits is also allowed, in the normal course very easily especially in the cities, the cost may swell and the exemption may be raised to Rs. 8 lakhs. Therefore, if the principle of Rs. 2 lakhs exemption is accepted, I submit that the total exemption given to a house in the municipal limits should be excluded.

Before I conclude, I once again request the Finance Minister to accept my amendment to clause 5(1)(i). It is only as a safeguard in respect of a principle we have accepted, and it is also the intention of the Select Committee as expressed in their Report.

Shri Prabhat Kar: I will only deal with clause 5(1)(ix) which deals with furniture, household utensils, wearing apparel, provisions and other articles intended for the personal or household use of the assessee. My amendment is that the original clause should be retained. In view of the limit being kept at Rs. 2 lakhs and in view of the other exemptions that have been granted, the original clause should remain—that is, furniture, household utensils, wearing apparel, jewellery, provisions and other articles intended for the personal or household use of the assessee, subject to a maximum of twenty-five thousand rupees in value. I hope the Minister will accept it.

I next want to speak on item (xxi) of sub-clause (1) of clause 5. I have asked that that portion of the exemption should not be there. In view of the role that industrialists have been playing for the last few years even after our independence, I am quite sure there is no need for granting them any exemptions in relation to any investment that they will make in other organisations or to create other subsidiary companies. Their role has been to acquire as much of profit as they can. In acquiring profit they never cared for the national interest. Today there is no reason why, in imposing heavy taxation,

there should be any exemption for them. That is why I object to this particular provision. e

My suggestion is that they have not played their part well in the past and there is no possibility of playing a good role to help national economy in future. There is no reason why Government or the country should grant them exemption.

Already, while we were generally discussing the Wealth Tax Bill, I have pointed out how huge amounts of wealth can go out of the scope of taxation by this particular concession. Therefore, I move this amendment, with the hope that the Finance Minister knows perfectly how these companies are run, and how they have been evading taxes. He did not contemplate any exemption of this type in the original Bill. In view of the increase in expected revenues which are so badly needed, this particular provision should not be there and this exemption should go. With these words, I commend my amendment.

Shri Sadhan Gupta: I am speaking on the amendments which stand in the joint names of Shri Menon and myself as well as on the amendment standing in my own name. The most important of our amendments relates to the omitting or curtailing of the concessions given to rulers. There are other amendments also. I shall refer to them briefly but that, on principle, is the most important amendment which we are moving to this clause.

First of all, there is sub-clause (iii) relating to the exemption of the official residence of the Rulers and then sub-clause (xiv) regarding the jewellery in the possession of Rulers which are not supposed to be their personal property or are recognised as heirlooms.

This amendment regarding the property of the Rulers I move without making any apology, though I know the Finance Minister may call me a

Procrustes or say that I am making political capital out of it. I am not sorry to be a Procrustes because he accuses me of being a Procrustean as I want to chop off the taller limbs of society as he puts it. But, I wonder whether he realises that Procrustes had a double function. Procrustes operated in two ways either by chopping off part of the taller persons or by pulling a shorter man to fit the bed till he died. If the Finance Minister thinks that it is better to pull a short man who is a pigmy by under-nourishment, a man who finds it difficult to maintain himself, if he could be pulled on a rack to fit the bed, I do not see why we cannot chop off certain parasites to fulfil the needs of society. I make still less apology because the stature of those persons is due to a very luxuriant over growth on their part, which if we chop, they will fit very easily into the bed without any great danger to their existence. But, in the other case, when the Finance Minister applies the rack to the common man by taxing his sugar or edible oil and so on and so forth, it is quite different. It goes to the very root of his existence. Therefore at least my Procrusteanism has a social justification while his Procrusteanism is disastrous.

Regarding political capital, I do not want to say very much except that it seems the Finance Minister has a knack of seeing his own image in everybody else. Shri Nayar asked him to go to the mirror and behold something. But, unfortunately he imagines that we are all his mirrors at least on this side of the House.

As regards the Rulers I do not see why the official residences should be exempt or why the heirlooms or jewellery should be exempt. It may be said that they are unproductive. But that is not a convincing argument because so many things are being taxed and so many assets are being included in net wealth which may be unproductive. A residential house is not productive. Often it may

happen that the house may not fetch the value which it is supposed to have in the market because of some defects in construction and so on and so forth. We did not grudge that because the exemption limit is to be high. There is an exemption limit of Rs. 2 lakhs. In the case of the Rulers there is this further argument to advance that they have an income-tax free privy purse which other persons do not possess. Others have to pay taxes on their incomes as well as on their wealth while the Rulers do not have to pay taxes on their incomes.

The Constitution has been brought into service by the Finance Minister for the purpose of justifying this concession. I wonder what reason he has to put this interpretation on the Constitution, that article 362 of the Constitution requires the official residences of the Rulers and the heirlooms to be exempted. It refers specifically to 291. And, article 291 says nothing more than exemption of the income from taxation.

On several occasions the Constitution has been violated. We remember one occasion when in spite of the provisions of the Constitution it was provided in the Preventive Detention Act, in spite of the right of *habeas corpus* guarantee in the Constitution it was provided that the disclosure of grounds would be penalised by a penalty and the Supreme Court set it aside. There are many occasions on which Parliament has taken risks and enacted laws which have been set aside by the Supreme Court or other High Courts. On this occasion, the risk is certainly very much less and it is worth taking. This defence of the Constitution is absolutely useless because at any time when the Finance Minister wants it or his party wants it, a suitable amendment may be introduced in the Constitution. I would say an amendment is not necessary because nothing in the Constitution requires exemption.

On other occasions we had taken risks and had provided things which

[Shri Sadhan Gupta]

had been overruled. So, on this occasion too we can take risks. But even supposing that there is a risk and it should not be taken, then for the needs of our country an amendment should be brought. Amendments have been brought to restrict the freedom of speech, to restrict civil liberties which the country highly values. I do not see why amendments should not be brought to do away with fetters which are inequitable with a vengeance and to enable us to draw from sources which eminently deserve to be drawn upon, because our people are so impoverished. Therefore, this explanation of the Constitution is absolutely unconvincing.

Now let us pass to the other amendments.

Mr. Chairman: We have to finish this Bill today. So many hon. Members have tabled amendments to this clause. I would therefore request the hon. Member to be brief.

Shri Sadhan Gupta: I shall be brief.

Now my amendment No. 99 is to fix a maximum ceiling limit on furniture, household articles and utensils. There are two alternative amendments: 99 and 100. 99 proposes that a ceiling of Rs. 5,000 be fixed; 100 proposes that Rs. 10,000 be fixed. There is no sense in allowing furniture, utensils, etc., to an unlimited extent. The result will be that all the wealth which might be taxed might be converted into exempted categories. Similarly, regarding tools for raising agriculture. We know that farmers do not use tools of a very high value. Therefore, it is no use exempting every kind of tool. We can fix a ceiling limit. For instance, we do not want to exempt a person who uses numbers of tractors for the purpose of capitalist farming. Therefore, tools and implements for agricultural purposes should be limited by a ceiling of Rs. 5,000 which is enough for any ordinary farmer whom we wish to protect.

Amendment No. 106 relates to hair-loomas about which I have already spoken. In regard to amendment No. 109 I want to omit the exemption given in the case of Ten Year Treasury Certificates.

Mr. Chairman: This amendment is not in order. Under our constitution any amendment which seeks to increase a tax proposed in a Bill is *ultra vires*. So, amendment No. 109 is not in order.

Shri Sadhan Gupta: Any way the Finance Minister can at least be persuaded to accept the principle of the amendment. At least the amount of these treasury certificates may be fixed, say, at Rs. 5,000 or Rs. 10,000.

These are the amendments which I wish to move and I hope that the Finance Minister will still have the wisdom to listen to the wishes of the country, in respect at least of the rulers. Let him not brush it aside by saying that we are making political capital out of it. Let him ask people of his own party what they feel about these exemptions and I am sure the majority of them will say that they feel the same way as I do. I would also offer him a sporting challenge, if he will accept it. Let there be a free vote and I think it will be my amendments which will be carried and the Finance Minister will be in a minority in a free vote.

Pandit Thakur Das Bhargava: My amendments are:

Page 5—

after line 36 add:

"(ivA.) one building in the occupation or ownership of every assessee used by him and his family as the dwelling house."

Page 7, line 6—

for "twenty-five thousand" substitute "twelve thousand and five hundred".

Page 7, line 6—

add at the end:

"and in case the assessee is an undivided Hindu family subject to a maximum of twenty-five if the family consists of two coparceners and to a maximum of thirty-seven thousand five hundred if it consists of more than two coparceners".

Before I begin my speech I want to make one or two observations which are extraneous to the amendments. I am extremely sorry and I feel grieved by the language used by Mr. Nayar in respect of the hon. the Finance Minister. He was probably not here in 1947 when we were framing the Constitution and cannot fully appreciate the amount of industry and the amount of intelligent work the hon. the Finance Minister brought to bear on the making of the Constitution. We are all very grateful to him for the work that he did, and when an hon. Member uses the expression "beast of burden" we feel very much aggrieved. I do not know what the reaction of the hon. the Finance Minister is. He has probably got the skin of a rhinoceros—every politician should have that, it may be a matter of give and take for him.

I feel it very much that we Members of this House should use language against each other which is not dignified. I wish that every Member, whether on this side of the House, or on the other side, should use language which is dignified and which is not unworthy of a Member of this House. I feel it is our duty to use such words as are conducive to the dignity of the House. In anger we may say something; but at the same time we should have the courtesy to see that in cooler moments we withdraw them. I myself yesterday said that the hon. the Finance Minister was guilty of discourtesy. In the heat of the moment I did say that. At the same time when it was explained to me that as a matter of fact it was due to want of time that he could

not, I was sorry that I used that expression. I do not want that in this House any of us should say anything which injures another Member of the House.

So far as Ministers are concerned, we have a right to criticise them, but we should not criticise them in a personal way and to say that a beast of burden does as much work as any other person is not right. I would beg of my hon. friend Mr Nayar not to use such language. It may not hurt him. He is a strong man. But it hurts me a great deal to hear this language being used in respect of a man who has served us so faithfully.

Shri Nagi Reddy: That was with reference to the lapse of the Finance Minister yesterday.

Pandit Thakur Das Bhargava: That chapter was closed and there was no occasion for giving this analogy.

Mr. Chairman: The hon. Member may now deal with his amendments.

Pandit Thakur Das Bhargava: I now come to my amendments.

I am anxious that one dwelling house for every assessee should be exempted from this tax. We find that the rulers have been allowed one building and one house has been allowed to persons who have got a house situate in any place with a population not exceeding 10,000 and which is more than five miles distant from any area for which there is a municipality.

So far as the question of rulers is concerned, I submitted yesterday with your permission and I want to repeat it that I am in favour of giving this exemption to the rulers. We who know the happenings of 1947 know what sacrifices the princes made and what patriotism they showed in entering into these covenants abjuring all the rights of rulers as such. Without their cooperation we could not have consolidated India.

Shri Sadhan Gupta: They were there with the protection of the British Government.

Pandit Thakur Das Bhargava: My hon. friend fully knows that when the British left they gave the 564 States which were then sovereign freedom to do as they liked. All of them entered into agreements. Can we forget those days and not attach any sanctity to those treaties the spirit behind them.

Shri C. D. Pande (Naini Tal): It is a question of moral obligation.

Pandit Thakur Das Bhargava: So far as the Constitution is concerned, Article 291 may not apply; article 362 may not apply so as to compel us to allow these exemptions.

Anyhow, apart from that, I am of the opinion that the Select Committee has acted very wisely in giving this exemption to the rulers. After all, this adds to the dignity of the rulers. If a ruler lives in a particular house, then also he is entitled to have the concession which I want that every assessee should have. If a ruler is living in a particular residence which can be declared as his official residence, what is wrong in exempting it? In regard to the expenditure tax bill also I understand that some general concession has been given to those who live in a particular style, so that they may readjust themselves to the changing circumstances.

The Estate Duty Act is there. Where will they go. When they die all these properties are again to be taxed. Therefore, there is no harm if we allow this exemption to rulers. If the palaces are to be constructed today, each one of them would cost crores of rupees. But they won't fetch that amount in the market. Considering all these things I am happy that the Select Committee has made this provision.

I am still more happy that they have also considered the case of others to whom also they have given some concessions, but I am not impressed by

the restrictions put on it. Why do you discriminate between a person who owns a house five miles away from municipality or within those five miles. I do not understand any point of distinction in that. I know of persons who have got houses within five miles worth several lakhs. I know of a greater number of people owning houses in the interior worth lakhs of rupees.

My humble submission is, every assessee should be given this exemption. The reason is, the Government, usually the Rehabilitation Ministry, does not at all think that there is a characteristic in every human being which is called 'inhabitiveness'. A man becomes attached to the place where his father died, where a child was born or some other incident happened. Everybody loves the house in which he lives. I should think that the Government should see that every person owns a house, not even hires or occupies a house, but owns a house. It will be a good idea and Government will be well justified in keeping it as a policy. Every person must own a house and live in it, because it not only adds to his dignity but satisfies a certain characteristic in human beings which is very necessary.

When it is the avowed object of the Government to give every person a house, shelter and food—these are the three things which all of us want that every individual in this country may secure—in recognition of their policy they ought not to discourage those who have got buildings of their own. Therefore, I would like that instead of sub-clause (iv) the amendment that I am submitting may be accepted and this clause may be amended.

As regards my two other amendments, numbers 31 and 32, I beg to submit in my own way of thinking that this exemption up to Rs. 25,000 for jewellery is too much. After all, what is the use of this jewellery. So much capital is blocked and there is no return. I do not say that the ladies are not justified in having their jewellery, but let it be reduced. I have, therefore, submitted in this

amendment that the amount may be reduced to Rs. 12,500.

In my amendment No. 32 I say that even if you do not make distinctions elsewhere you should make a distinction here. There may be six or more ladies in a family and you say that an individual lady in a house and six ladies in a joint family should be on the same basis. Shri Sadhan Chandra Gupta just gave the example of tall poppies and pigmies and said that the pigmies should not be kept under-nourished and tall poppies may be beheaded so as to bring them down. I am reminded of a story in which a person was crossing a river with some others. He measured all the persons before crossing the river and then went into the stream. When they were in mid stream those who were short statured were drowned.

जुहसाव ज्यों का त्यों, कुनबा दूबा क्यों।

He said, what is the matter. It is a thing like this. I cannot understand how the Select Committee failed to make distinctions between a Hindu joint family and an individual in a matter of this kind. It is almost a personal matter. It should have been felt that when you make Rs. 25,000 for one man you ought to make a correspondingly greater amount for a large family. I have, therefore, submitted in this amendment that it should be Rs. 12,500 for an individual, Rs. 25,000 for a joint family consisting of two members, and Rs. 37,500 if it is more than two members—even if it has 20 members.

So far as jewellery is concerned, the Finance Minister told us that he wanted to avoid harassment to every assessee. I would respectfully ask him how he will avoid harassment. Jewellery must be taken from the ladies, brought to the market and valued. How will you value it. Supposing there are some diamonds how will you value them?

Even if this mount is lowered our country will gain. If one has a house worth Rs. 25,000 and you take Rs. 12,500 from the same person so

far as jewellery is concerned, I am sure every lady would rather like to have a dwelling house to be exempted. So far as jewellery is concerned, it may be that the ladies may like it but the rest of the family would not like it to be kept as such with the result that the house is not exempted. I would, therefore, submit that all these amendments may be accepted.

Mr. Chairman: Amendment No. 33 is the same as amendment No. 109 which has already been ruled out of order.

Shri Bimal Ghose: The amendment which you accepted has also the same effect and that also had not the President's sanction. We advanced the date of exemption from 15th May, 1957 to 1st April, 1956. That would also have the effect of increasing taxation.

Pandit Thakur Das Bhargava: Sir, I rise on a point of order. That has already been accepted and it cannot be reopened.

Shri Bimal Ghose: If this is a ground that we cannot do anything which is unconstitutional, that amendment also would have the effect of increasing one's liability.

Mr. Chairman: That has already been accepted. Whether it is constitutional or not may be considered later on. Now, amendments 109, 33 and 98 are ruled out of order as they have not got the recommendation of the President.

Shri Karni Singhji (Bikaner): Sir, I am speaking on amendment No. 21, of which I am a joint mover. It reads thus:

Page 5,—

for lines 33 to 36, substitute:

"(iv) one house belonging to the assessee exclusively used by him for residential purposes;"

I support my hon. friend Pandit Thakur Das Bhargava with regard to giving one dwelling house free from

[Shri Karni Singhji]

wealth tax to all citizens of this country. I pressed for this in the Select Committee also. I would once more like to draw the attention of my brother Members here that since certain categories of people have been given wealth tax free residences, namely the princes and certain other categories of people who live in rural areas, I think that it would only be too fair, considering that this is a new tax being introduced in our country, to give one dwelling house free of wealth tax to everybody in this country.

I need hardly add that India is a country where we have the greatest feeling for a home. Whether it be the rich or the poor nearly everybody has an inherent instinct to possess a home. I, therefore, hope that the House would be good enough to take this matter into consideration and see that the people in India, by and large, are not subject to any hardship or heart burning on this score.

The hon. Finance Minister has just said that if this concession is withdrawn it would cost the Five Year Plan Rs. 1½ crores. May I respectfully submit that when we are undertaking a Plan worth thousands of crores is Rs. ½ to Rs. 2 crores so much that we should inflict this heart burning on the masses of India by taxing everybody's residences? I think it is time that some of us considered this point and urged the Finance Minister respectfully and very humbly to give one residence free of wealth tax to all citizens.

Shri M. R. Masani: Sir, I am speaking on amendment No. 25 reading thus:

Page 6, lines 26 and 27—

omit "subject to a maximum of ten thousand rupees in value."

I have moved amendment No. 25 which is to delete the words "subject to a maximum of ten thousand rupees in value", from sub-clause (xi) which deals with tools and instruments

necessary to enable a man to carry on his profession or vocation.

I do suggest that this is a matter to which the Finance Minister might give a fresh look. He has suggested that by administrative action, perhaps by rule-making powers within the department, some relief might be given and Shri Dasappa welcomed that assurance which I also do. I must confess however that I find it rather difficult to see how the Finance Minister is going to carry out that assurance unless the clause is first changed, because there is a limit of Rs. 10,000 which remains. I cannot see what kind of instructions within the department short of falsifying the value of an asset could allow the department to pretend that something worth more than Rs. 10,000, may be some X-ray plant or surgeon's tools, are not worth Rs. 10,000. I would, therefore, suggest that if the Finance Minister really means that this category of assessee deserve some consideration, then, this is the right time to put the matter in a different way.

The instruments we are discussing are those of professional people, architects, engineers, doctors, surgeons and people of that category who are among the toilers of this country and who are performing valuable economic and social functions. These are not parasites of any kind nor are their instruments which we are discussing any kind of waste. These are instruments through which we produce and increase the sum total of wealth and goodwill and the well-being in this country. Health, relief from pain, construction, all these are functions which we should encourage and when a man wants to invest in tools and instruments some of his money, it seems to me that the best way to encourage that will be to remove these instruments from the scope of this Bill.

Dr. Krishnaswami has, in an eloquent passage in his Minute of Dissent, pointed out the social economic and cultural value of these instruments and I hope that rather than

wait for administrative action, the Finance Minister will consider adopting this amendment which would do away with the limit. No rules and no instructions will over-rule the provisions of this clause.

Then again, the loss to the revenues by removing this restriction of Rs. 10,000 would hardly be very substantial. I am sure that for the small loss, justice would be done to worthy members of the community, surgeons, architects, engineers, and others. We should all press the Finance Minister now—and I believe that it is the sense of the House too—that this limit of Rs. 10,000 should be removed.

Shri Nathwani: My amendment reads thus:

Page 6—

Omit lines 1 to 4.

My amendment seeks to delete lines 1 to 4 on page 6. Sub-clause (v) says:

“(v) any interest in property which, although it has vested in an assessee, is not in his possession or enjoyment by reason of the fact that the time for such possession or enjoyment has not arrived;”

It has to be excluded in computing the net wealth of the assessee. In my opinion, this Bill keeps the door wide open for evasion. For instance, a man may create a trust in favour of his adult son and enjoin upon the trustee not to deliver possession of it till a certain event happens. That even may happen 20 or 30 years hence. In the meanwhile, when the property is in the possession of the trustee, that property will be exempt from liability under this Act. I do not think that this was the intention of the Select Committee. What was thought to be excluded was the contingent interest of an assessee in some property or some chance to succeed which, in law, is called *spes successionis*. Therefore, I move that these four lines should be deleted.

I would like to say one word with regard to sub-clause (iv) which seeks to exclude one residential house in the rural area. I do not see any justification for drawing a distinction bet-

ween rural houses and urban houses. An amendment has been moved, seeking to exclude one dwelling house irrespective of the place where it is situated. If that amendment is not found acceptable by the hon. Minister, at least it can be accepted subject to a maximum limit, say, of Rs. 25,000 or Rs. 20,000. But there is one more anomaly in this sub-clause (iv) to which I must draw the attention of the hon. Minister. It excludes a house situate in any place with a population not exceeding 10,000 and which is more than five miles distant from any area for which there is a municipality. It assumes that in a place with a population not exceeding 10,000 there is no municipality. But coming as I do from Saurashtra, I know that there are many towns with less than a population of 10,000 which have got municipalities. What is to happen to such places? This seems to be an anomaly and it would discriminate against the people of Saurashtra. Therefore, it should not be allowed; if at all it is allowed to remain, it should be suitably amended.

Dr. Sushila Nayar (Jhansi): Mr. Chairman, I speak with much constraint and if I may say so, with a heavy heart. I have the honour to belong to the profession of medicine which I think is a very noble profession even though the Finance Minister has done us the honour of calling the medical men as thugs, cheats and blood-suckers.

Some Hon. Members: Shame, shame.

Dr. Sushila Nayar: I hold no brief for any blood-suckers in any section of our population. I agree with the hon. Finance Minister that there are blood-suckers among doctors as there are blood-suckers among every other profession, traders, businessmen, lawyers—and in every other group. However, I wish to submit that, by and large, the medical profession is a noble profession which caters for the needs of suffering humanity. As such, it is not right to categorise it or to equalise it with purely commercial vocations and professions.

The Finance Minister raised the limit for tools and instruments from

[Dr. Sushila Nayar]

Rs. 2,500 to Rs. 10,000, and now it is sought to be increased to Rs. 20,000. I may say that I am not a bit interested in it; even if he raises it to, say, Rs. 50,000, I do not care for the higher ceiling. I want the recognition of the fact that doctors' tools are not a means of merely earning money. They are means of relieving human suffering and, as such, they should be treated differently, than is done in the case of those avocations which are purely commercial ventures. No doubt doctors do earn their living through the medical profession, but may I point out that on an average, a doctor spends after high school, at least 15 years in training—seven years in the pre-medical and medical college, and after that, five years in house-surgery and residency, etc. After these 12 years only, he begins to earn and it takes him at least 3 years to establish himself in his profession.

May I also point out one more thing? Take the statistics anywhere in the world. Most of the doctors die young; they die between the ages of 50 and 55; so that their period of earning is very limited.

Mr. Chairman: The hon Member's time is up.

Dr. Sushila Nayar: I am going to take 5 minutes more; I have to say something.

Mr. Chairman: My difficulty is that I have to finish the Bill at least in the course of the day. She can submit whatever she has got to say in a few words and also in a lengthy way. (Interruptions). I want to see that we do our job within the scheduled time. We have got some other business also.

Dr. Sushila Nayar: It has been suggested that concession to be given to the doctors will be given through rules. I am told by very good authorities that it cannot be given through the rules, unless it is specifically provided in the Act. The hon. Finance Minister may have a proviso to that effect, if he wishes to have it done under the rules. Otherwise, it cannot

be done under the rules. And it should not be done, because I feel very strongly that rules are not there to produce a different effect than the main Act does on this House. Otherwise, we would not be spending hours and hours in discussing the clauses. It would not be fair and proper to do that.

The second thing that has been suggested is that under the evaluation clause, instruments can be evaluated differently. Again, I would much rather not have a concession of that type, which will open out fresh avenues of corruption, today which is the main curse of this country today and which stands in the way of our country's progress. I would, therefore, much rather like that if an instrument costs Rs. 50,000, it is evaluated at Rs. 50,000. No special rules or evaluation should be introduced for the evaluation of doctors' instruments. I submit that there are a fairly large number amongst us who do this work in a spirit of humanitarian service and if the hon. Finance Minister does feel that tools and instruments of doctors are not purely money-making devices, but they are means of service to humanity, let him find a way of giving exemption to the doctors' tools. They may be worth 5,000 or even 5 lakhs. If he finds that there are "blood-suckers" amongst us, as he called them, by all means, find any method of taking away the profits that they are making through any type of taxes or other types of supervision or safeguards that may be necessary. But I strongly feel that to consider the instruments and tools of medical men and women as equal to the tools that may be used purely for commercial and trading purposes is not fair, is not right. Again I appeal to the hon. Finance Minister to please find a way out.

16.53 hrs.

[MR. DEPUTY-SPEAKER in the Chair.]

Shri Narayanankutty Menon: I want to say a few words on this clause, because it is the most vital point...

Mr. Deputy-Speaker: I have no objection; if the whole time is to be spent on this clause, I have no objection.

Shri Shankaraiya: I have not spoken on my amendment.

Mr. Deputy-Speaker: We have an half-hour discussion till 6 o'clock.

An Hon. Member: We cannot sit beyond six.

Mr. Deputy-Speaker: If the House desires to sit, I have no objection, but we should try to remain within that limit that we have placed on ourselves. Now there are a very large number of hon. Members who are desirous of speaking. If all are to be given chances, perhaps this clause may not be concluded.

Shri Shankaraiya: At least those who have sent in amendments and have not been given an opportunity to explain them, may be given chances.

Mr. Deputy-Speaker: I am sorry everybody who has sent in amendments cannot be given a chance.

Shri C. K. Bhattacharyya (West Dinajpur): Let the chances of making speeches be extended to those who have not yet spoken. We have heard many speeches from many Members and repeated speeches from the same Members.

Mr. Deputy-Speaker: I am sure that those who had no chance up till now have no amendment also. What shall I do? I have no time even to call those who have sent amendments. Those who have had no chance up till now perhaps may try their luck in the third reading.

Mr. Ramaswamy. He will be very brief.

Shri S. V. Ramaswami: My amendment No. 125 relates to sub-clause (xi) of clause 5. It seeks to raise the maximum of Rs. 10,000 in value to Rs. 20,000, in which case it would read like this:

“(xi) the tools and instruments necessary to enable the assessee

to carry on his profession or vocation, subject to a maximum of twenty thousand rupees in value.”

If a sum of Rs. 20,000 is provided as the maximum, it would be helpful to carry on the profession.

Shri Naushir Bharucha (East Khadesh): We have not got the amendment. It has not been circulated. It ought not to be allowed to be moved now.

Mr. Deputy-Speaker: I will read that out now. The procedure is that when an amendment is given after the time, if the Government is prepared to accept that amendment, the notice is waived. If it is acceptable to the Government, then I will waive the notice; otherwise not.

Shri T. T. Krishnamachari: I am prepared to accept amendments Nos. 125, 127 and 128.

Mr. Deputy-Speaker: The hon. Minister says he is accepting amendments Nos. 125, 127 and 128. I will read them out. Amendment No. 125 by Shri S. V. Ramaswami reads:

Page 6, line 27, for “ten” substitute “twenty”.

Amendment No. 127 by Mr. Nathwani reads:

Page 6, omit lines 1 to 4.

Amendment No. 128 by Shri S. V. Ramaswami reads:

Page 6, after line 27, insert—

“(xia) instruments and other apparatus used by the assessee for purposes of scientific research.”

I think hon. Members now know what the amendments are.

Shri S. V. Ramaswami: With regard to amendment No. 128, there are scientists who pursue science purely for the sake of knowledge. Such persons should not be taxed. It is for that purpose that the instruments and other apparatus used by the assessee for the purpose of scientific research should be exempted.

17 hrs.

Shri Shankaraiya: So far as clause 5, sub-clauses (iii) and (iv) are concerned, they are new provisions added by the Select Committee. By exempting one house belonging to the princes and to those living in rural areas, we will be making a discrimination. Persons holding a house within five miles of municipal limits are not considered and therefore it amounts to discrimination which ought not to have been made.

The second and most important point is, with regard to the house that is to be exempted in the case of a Ruler, in the way in which it is worded, sub-clause (iii) cannot be accepted. Sub-clause (iii) says,

"any one building in the occupation of a Ruler declared by the Central Government as his official residence under paragraph 13 of the Merged States (Taxation Concessions) Order 1949, or paragraph 15 of the Part B States (Taxation Concessions) Order, 1950."

The object of this provision is that exemption of one house should be given. Even if one house is to be exempted, according to sub-clause (iii), it is that House which is in the occupation of the present Ruler, which is declared under these two Orders. If the declared properties are to be exempted, I submit, we will be validating a mistake if at all any has been committed by the Government in declaring these properties as the personal properties of the Ruler. Because, under the covenant entered into by the princes, it is only such properties belonging to them as private property that ought to be exempted. Suppose a public property or State properties have been declared as belonging the Ruler in the inventory and if the inventory is taken as gospel truth, and if the State properties are allowed to be declared as private property, we will be validating a mistake. I am not prepared to accept this injustice. We should see that such property is protected. If any mistake has been com-

mitted either by the State Government or the Central Government in declaring it as private property, it should be nullified and rectified and State property should be restored to the State. If I were to illustrate...

Mr. Deputy-Speaker: The House has followed the hon. Member. Illustrations are not necessary.

Shri Shankaraiya: To illustrate—the hon. Finance Minister may say by way of explanation that due to the anomalous position—at the time of the integration, they were not able to make a distinction between what were private properties of the Ruler and State properties. If there are glaring instances, if there are official records, budget proposals to show that they are State properties, if the money has been voted in the budget by the legislature for its construction and after its completion, if the State has treated it as State property and in subsequent years also, if in the State budget, provision is made for the maintenance of this property, merely because a prince is allowed to remain in it for certain purposes, whatever they may be—if he is in occupation, I have no objection to his being permitted to reside there in but, in spite of budget proposals and official records, they are declared as private property of the Ruler, I do not know where the safety lies for State properties. If any mistake has been committed, I would request the Finance Minister to see that it is rectified and the property is restored to the State and this Order is not enforced. If any mistake has been committed, this House also will commit itself to the mistake committed by the Government. If we pass this Bill as it is with the wording declared property, we will be validating a mistake that has been committed by the Government. It should not be done so. Hence due amendments.

Shri S. Ghose: To my mind, clause 5, sub-clause (1)(i) is a mistake because that gives a loophole for evasion of tax. It will be better if the Finance Minister remembers the oft-quoted saying that the rich grind the law and the law grinds the poor. By

enacting this Bill, we are going to extract something from the rich persons and it can be taken for certain that they will not take it lying down. That will be decided somewhere else: not in this House, but somewhere else where another force is working. If the Bill suffers from legal infirmities, it will defeat its own purpose. I think it is an infirmity in clause 5 sub-clause (1)(i). Originally as it was, it was somewhat less mischievous. But, it has become more mischievous as it has emerged from the anvil of the Select Committee. I submit there is not one word nature: it is religious and charitable purpose of a public nature. What will be the interpretation of nature? What is the meaning of nature? That is giving a long rope to persons and with the help of that simple word persons could fly away with consummate ease. Moreover, you will be pleased to find that the words 'trust or other legal obligation' are very vague words. They would be very helpful for evading taxes, particularly when in this Bill we do not find anything analogous to section 3 of the Income-tax Act which speaks of association of individuals. In this Bill, there is no provision to rope in association of individuals. Besides companies and firms, there is one other thing that can be contemplated and that is association of individuals by which taxes can be evaded. I submit that it is for this reason that I have suggested an amendment, that is, exclusively for religious and charitable purposes of a public character. That would shorten the path that has been widened by the Select Committee. I think, in trying to extract something from the rich persons, he should not create a paradise for the lawyers.

Mr. Deputy-Speaker: The hon. Minister.

Shri Narayanankutty Menon: I want clarification of a position.

Mr. Deputy-Speaker: Let him speak. Then if there is anything for clarification, we will see.

Shri T. T. Krishnamachari: It is rather difficult for me to deal with

all the amendments moved by hon. Members. I hope hon. Members will not feel dissatisfied if I am not able to refer to all of them.

Broadly they fall into two categories: one is extension of the scope of the exemptions given in clause 5 and the other is restriction of the scope of exemptions that have been provided by the Select Committee. Hon. Members know that the Bill stood in a particular form originally. In regard to that, we have the Presidential sanction. If the Select Committee had enlarged the scope of the Bill and varied the character of the concession, the House is perfectly entitled, without further sanction from the President, to restore the position. Shri Nathwani has proposed amendment No. 127 to clause 5(1)(v) which has been inserted by the Select Committee. He has made out that it is something which will lead to a lot of evasion and it is a thing which can now be cut out without any serious detriment to the scope and nature of the Bill.

Shri Nathwani: If that is to be cut out.....

Shri T. T. Krishnamachari: I request my hon. friend not to interrupt me because it is rather difficult for me to reply....

An Hon. Member: If that is cut out, then the other thing has also to be cut out.

Shri T. T. Krishnamachari: It does not follow. It does not mean that if one is cut out, everything should be cut out.

I accept the amendment of Mr. Nathwani. Mr. Nathwani has also made a very pertinent observation about clause 5(1)(iv). It reads:

"one house belonging to the assessee exclusively used by him for residential purpose and situate in any place with a population not exceeding ten thousand"

[Shri T. T. Krishnamachari]

and which is more than five miles distant from any area for which there is a municipality;"

Of course, he was a member of the Select Committee. He has asked: what about an area, where there is a municipality, which has less than 10,000 inhabitants? If the House will permit me I should be prepared to accept the amendment, if moved by anybody or, if the Chair will permit me to do so, I will myself do it. The amendment suggests that in clause 5(iv), after the word "municipality", the words "the population whereof exceeds ten thousand shall be added. After the amendment, the clause will read:

"one house belonging to the assessee exclusively used by him for residential purposes and situated in any place with a population not exceeding ten thousand and which is more than five miles distant from any area for which there is a municipality, the population whereof exceeds ten thousand;"

It is a verbal amendment to fill up a lacuna. There can be a municipality which has a population of less than ten thousand. If the House will permit me, I am prepared to accept it.

Mr. Deputy-Speaker: Is it not possible to reduce it to writing?

Shri T. T. Krishnamachari: I have got a copy here.

I beg to move:

Page 5, line 36—

add at the end:

"the population, whereof exceeds ten thousand".

It is really a drafting error. It is not a substantive one. Under the Bill, as amended by the Select Committee, all areas with a population of

ten thousand, the residents, thereof should be exempt, so far as the house is concerned. It has also been laid down that it should not be within five miles of a municipality. If the area of the municipality itself is less than 10,000, then it will not be covered because the municipality will be the governing factor. It will not get that concession. Mr. Nathavani has pointed out that there are several municipalities, particularly in his area, and may be, in other areas too, which have less than 10,000 inhabitants. We should say "a municipality which has more than ten thousand inhabitants": then only the five mile distance will be attracted. I think it is quite clear. The language is all right.

The other amendment moved by Mr. Ramaswami was a variation of the amendment tabled by Mr. Dasappa, whereby equipment for scientific research is sought to be exempted. I am prepared to accept it.

So far as the other points are concerned, some hon. Members have objected to the concessions given under section 5. We have dealt with this subject in the definition clause. The question of "house" is a matter that has been under dispute. I have tried to endeavour to answer the other point that was made by Pandit Thakur Das Bhargava that all houses should be exempted. As I mentioned to the House earlier—it may be that it will be of the order of Rs. 1½ crores; may be more; I do not know how much it will be—I find I am unable to accept the amendment. Therefore, the position boils down to this. I am prepared to accept the addition of the words "the population whereof exceeds ten thousands" in clause 5(iv). I am also prepared to accept the amendment of Mr. Ramaswami that an additional sub-clause should be put regarding instruments and other apparatus for scientific research and also his amendment for raising the ceiling from Rs. 10,000 to Rs. 20,000.

Mr. Deputy-Speaker: Amendment moved:

Page 5, line 38—

add at the end—

"The population whereof exceeds ten thousand".

Shri V. Raju (Visakhapatnam): Regarding the amendment moved by the Finance Minister for exemption of house property in municipal areas, may I suggest the addition of the word "panchayat", or "major panchayat" also? In my State there are areas with a population of 15,000 or 20,000 where there are no municipalities. In the circumstances, I suggest this may be accepted. In this connection, Mr. Murthy also gave the example of Vuyyuru in Krishna District, where the Zamindars have property worth over a crore of rupees, where there is no municipality today. The word "panchayat" would cover all such cases. If you say "panchayat or a population of ten thousand" it would cover both cases.

Shri Feroze Gandhi: I only wanted a clarification from the hon. Finance Minister with regard to Mr. Ramaswami's amendment, raising the limit from Rs. 10,000 to Rs. 20,000 for the purpose of scientific research.

Shri T. T. Krishnamachari: That is the total exemption.

Shri Feroze Gandhi: That is all what I wanted to know.

Dr. Sushila Nayar: I want a clarification.

Mr. Deputy-Speaker: If there are so many clarifications, how can I proceed with the business?

Dr. Sushila Nayar: I want to know from the Finance Minister that the sum of Rs. 25,000 permitted for jewellery and the sum of Rs. 1 lakhs, which is permitted for Government securities, if they are to be converted into instruments etc. if anybody desires to do so, will he have any objection to that?

Shri T. T. Krishnamachari: It is a law made by Parliament. Where does the Finance Minister come in? I cannot by *hukum* convert this.

So far as the proposal made by Mr. Raju is concerned, if it is a panchayat having more than ten thousand residents, well, the provision would be attracted. They won't get the benefit. But the mere fact that it is a panchayat will not exclude that particular area from the benefit of this exemption. Generally the panchayats will have a population of less than 10,000. If there is a panchayat with a population of more than 10,000, then the population of 10,000 will operate and that area will be excluded from the purview of this particular sub-section. Therefore, I don't think there is any need for incorporating the word "panchayat" because 10,000 is the limit. If there is a municipality with less than 10,000, we want to save that particular area, and that has been done by accepting the suggestion of Mr. Nathawani.

Mr. Deputy-Speaker: I shall put amendment Nos. 125 and 127. The question is:

Page 6, line 27—

for "ten" substitute "twenty"

The motion was adopted

Mr. Deputy-Speaker: The question is:

Page 6—

omit lines 1 to 4.

The motion was adopted

Mr. Deputy-Speaker: Now I put amendment 128. The question is:

Page 6, after line 27, insert:

"(xia) Instruments and other apparatus used by the assessee for purposes of scientific research."

The motion was adopted

Mr. Deputy-Speaker: Now I put amendment 129.

The question is:

Page 5, line 36—

add at the end:

"the population whereof exceeds ten thousand".

The motion was adopted.

Mr. Deputy-Speaker: Now I come to the other amendments.

Shri M. B. Masani: May I request that amendment 25 may be put separately to the House?

Mr. Deputy-Speaker: All right. I put amendment 25 to the House. The question is:

Page 6, lines 26 and 27—

omit "subject to a maximum of ten thousand rupees in value".

The motion was negatived.

Shri T. B. Vittal Rao: We have got amendments 75, 82, 84 which may be put separately.

Mr. Deputy-Speaker: Should I put all the three together, or separately?

Shri T. B. Vittal Rao: Separately.

Mr. Deputy-Speaker: In the debates, I am advised, they will be put separately and not together.

Shri V. Raju: What about amendment 69?

Mr. Deputy-Speaker: How should I know? If I am asked to put that also separately, I am prepared to put it.

17-24 hrs.

[MR. SPEAKER in the Chair.]

Mr. Speaker: Now I put amendments Nos. 75, 82 and 84.

The question is:

(75) Page 5.

omit lines 28 to 32.

(82) Pages 6 and 7

omit lines 34 to 37 and 1 to 4 respectively.

(84) Page 7

omit lines 26 to 31.

Raja Mahendra Pratap (Mathur): I have to give a talk at 3.35 in Room No. 62. Can I go?

Mr. Speaker: The hon. Member is locked up here. He cannot go now. The doors are all closed.

Lok Sabha divided:** Ayes 37; Noes 128.

Division No. 25]

[17.26 hrs

A

Banerjee, Shri S. M.
Bhadani, Shri
Bharucha, Shri Naushir
Braj Raj Singh, Shri
Chakravarty, Shrimati Renu
Chaudhuri, Shri T. K.
Dasgupta, Shri B.
Elia, Shri M.
Gaikwad, Shri B. K.
Ghosal, Shri
Ghose, Shri Bimal
Ghose, Shri S.
Gopalan, Shri A. K.

Goray, Shri
Gupta, Shri Sadhan
Jadhav, Shri
Kamble, Shri B. C.
Kar, Shri Prabhat
Kodiyar, Shri
Kunhan, Shri
Mansy, Shri
Menon, Shri Narayanankutty
Mukerjee, Shri H. N.
Mullick, Shri B. C.
Nayar, Shri V. P.

Pandey, Shri Sarju
Parulekar, Shri
Patil, Shri Balasahch
Patil, Shri Nana
Patil, Shri U. L.
Raju, Shri V.
Rao, Shri D. V.
Rao, Shri T. B. Vittal
Reddy, Shri Nagi
Valvi, Shri
Warior, Shri
Yajnik, Shri

**The result of this division applies to amendments Nos. 72, 82 and 84 separately.

NOES

Achar, Shri	Jagjivan Ram, Shri	Rajiah, Shri
Ajit Singh, Shri	Jain, Shri M. C.	Ramaswami, Shri S. V.
Ambalam, Shri Subbiah	Jangde, Shri	Ramaswamy, Shri K. S.
Arumugham, Shri S. R.	Jena, Shri K. C.	Rameshwar Rao, Shri
Balmiki, Shri	Jogendra Sen, Shri	Ram Saran, Shri
Banerjee, Shri S. K.	Joishi, Shri A. C.	Ranbir Singh, Ch.
Bangshi Thakur, Shri	Karni Singh, Shri	Rane, Shri
Berman, Shri	Kotaki, Shri Liledhar	Ranga, Shri
Beropal, Shri P. L.	Keshava, Shri	Rao, Shri Hanmanth
Basappa, Shri	Keskar, Dr.	Rao, Shri R. J.
Basumatari, Shri	Kistaiya, Shri	Reddy, Shri Rami
Bhakt Darshan, Shri	Lachhi Ram, Shri	Roy, Shri Bishwanath
Bhargava, Pandit Thakur Das	Lahiri, Shri	Sahu, Shri Rameshwar
Bhogi Bhai, Shri	Lal, Shri R. S.	Saigal, Sardar A. S.
Birbal Singh, Shri	Laskar, Shri N. C.	Samanta, Shri S. C.
Booe, Shri P. C.	Maiti, Shri N. B.	Samantsinhhar, Dr.
Brajaiahwar Prasad, Shri	Malviya, Shri K. B.	Sangananna, Shri
Chanda, Shri Anil K.	Manan, Shri	Sarhadi, Shri Ajit Singh
Chandak, Shri	Mandal, Shri J.	Sen, Shri P. G.
Chaturvedi, Shri	Mandal, Dr. Pashupati	Shah, Shri Manabendra
Chettiar, Shri R. Ramanathan	Mathur, Shri Harish Chandra	Sharma, Shri D. C.
Chuni Lal, Shri	Mehdi, Shri S. A.	Siddananiappa, Shri
Daljit Singh, Shri	Meikote, Dr.	Singh, Shri Babunath
Dasappa, Shri	Mishra, Shri Bibhuti	Singh, Shri D. N.
Das, Shri N. T.	Misra, Shri R. D.	Singh, Shri D. P.
Das, Shri Ramdhani	Misra, Shri R. R.	Singh, Shri Kamal
Das, Shri Shree Narayan	Munisamy, Shri N. R.	Singh, Shri T. N.
Deh, Shri N. M.	Morarka, Shri	Sinha, Shri K. P.
Deshmukh, Shri K. G.	Nair, Shri C. K.	Sinha, Shri Satya Narayan
Dinesh Singh, Shri	Narayanasamy,	Sinhasan Singh, Shri
Dube, Shri Mulchand	Naskar, Shri P. S.	Snatak, Shri Nardeo
Dubish, Shri	Nehru, Shrimati Uma	Subbarayan, Dr. P.
Dwivedi, Shri M. L.	Nek Ram, Shri	Surya Prasad, Shri
Gandhi, Shri M. M.	Oza, Shri	Tewari, Shri Dwarikanath
Gautam, Shri C. D.	Padam Dev, Shri	Tula Ram, Shri
Gounder, Shri K. P.	Pahadia, Shri	Uike, Shri
Guha, Shri A. C.	Palaniyandy, Shri	Umrao Singh, Shri
Gupta, Shri C. L.	Pangarkar, Shri	Upadhyaya, Shri Shiva Datt
Harvani, Shri Anwar	Panna Lal, Shri	Venkatesubbaiah, Shri
Hasda, Shri Subodh	Parmar, Shri Y. S.	Vyas, Shri Radhela
Heda, Shri	Radha Raman, Shri	Wadiwa, Shri
Hem Raj, Shri	Raghunath Singh, Shri	Wanjik, Shri
Hukam Singh, Sardar		Wilson, Shri J. N.

The motion was negatived.

Mr. Speaker: Now I put other amendments. The question is:

Page 5,—

after line 25, add:

"Provided that the assessee does not derive any monetary relief therefrom."

The motion was negatived.

Mr. Speaker: The question is:

Page 5—

omit lines 33 to 36.

The motion was negatived.

Mr. Speaker: The question is:

Page 7—

omit lines 5 and 6.

The motion was negatived.

Mr. Speaker: The question is:

Page 6, line 15—

after "wearing apparel" insert
"jewellery".

The motion was negatived.

Mr. Speaker: The question is:

Page 6, line 17—

after "assessee" add—

"subject to a maximum of
twenty-five thousand rupees in
value".

The motion was negatived.

Mr. Speaker: The question is:

Page 6, line 17—

add at the end:

"subject to a maximum of five
thousand rupees in value."

The motion was negatived.

Mr. Speaker: The question is:

Page 6, line 17—

add at the end:

"subject to a maximum of ten
thousand rupees."

The motion was negatived.

Mr. Speaker: The question is:

Page 6, line 19—

add at the end:

"subject to a maximum of five
thousand rupees."

The motion was negatived.

Mr. Speaker: The question is:

Page 7, line 4—

add at the end:

"subject to a maximum of five
thousand rupees."

The motion was negatived.

Mr. Speaker: The question is:

Page 7, line 6—

for "twenty-five thousand rupees"
substitute "five-thousand rupees".

The motion was negatived.

Mr. Speaker: The question is:

Page 7, line 10—

add at the end:

"subject to a maximum of five
thousand rupees in value".

The motion was negatived.

Mr. Speaker: The question is:

Page 7, line 10—

add at the end:

"subject to a maximum of
twenty-five thousand rupees in
value".

The motion was negatived.

Mr. Speaker: The question is:

Page 7—

omit lines 21 and 25.

The motion was negatived.

Mr. Speaker: The question is:

Page 7, line 25—

add at the end—

"subject to a maximum of
ten thousand rupees in value."

The motion was negatived.

Mr. Speaker: The question is:

Page 5, lines 24 and 25—

for "for any purpose of a chari-
table or religious nature in India"
substitute—"exclusively for chari-
table and religious purpose of
public character".

The motion was negatived.

Mr. Speaker: The question is:

Page 6, line 18—

after "implements" insert "includ-
ing tractors".

The motion was negatived.

Mr. Speaker: The question is:

Page 5, line 22—

add at the end:

"provided that the total value
of the assets exempted under
items (iii), (iv), (vi), (viii), (ix),
(x), (xi), (xii), (xiii), (xiv),
(xv) and (xviii), of this clause
shall not exceed Rs. 50,000 in any
case".

The motion was negatived.

Mr. Speaker: The question is:
Page 5—
for lines 33 to 36, substitute—

"(iv) one house belonging to the assessee exclusively used by him for residential purposes."

The motion was negatived.

Mr. Speaker: The question is:
Page 5—
after line 36, add—

"(ivA.) one building in the occupation or ownership of every assessee used by him and his family as the dwelling house."

The motion was negatived.

Mr. Speaker: The question is:
Page 7, line 6—

for "twenty-five thousand" substitute "twelve thousand and five hundred".

The motion was negatived.

Mr. Speaker: The question is:
Page 7, line 6—
add at the end:

"and in case the assessee is an undivided Hindu family subject to maximum of twenty-five if the family consists of two coparceners and to a maximum of thirty-seven thousand five hundred if it consists of more than two coparceners."

The motion was negatived.

Mr. Speaker: The question is:
Page 5—
omit lines 28 to 36.

The motion was negatived.

Mr. Speaker: The question is:
Page 5, line 28—
for "any one building in the occupation of a Ruler" substitute:—

"any one building other than a State Property belonging to the Ruler exclusively used for residential purposes by him".

The motion was negatived.

Mr. Speaker: The question is:
Page 5—
for lines 33 to 36, substitute—

"(iv) one building belonging to the assessee used by him for his residential purposes;"

The motion was negatived.

Mr. Speaker: The question is:
Page 7, line 10—

add at the end:

"Wealth-tax shall not be payable on such certificates but the value of any such certificates so exempted shall be included in computing the net wealth of the assessee".

The motion was negatived.

Mr. Speaker: The question is:

"That clause 5, as amended, stand part of the Bill."

The motion was adopted.

Clause 5, as amended was added to the Bill.

Mr. Speaker: We have already exceeded the time. I shall now put all the other clauses and the schedule.

Shri T. T. Krishnamachari: There is a printing mistake, if I may point out. There is a mistake in clause 20(1) page 14. The underlined portion in which the partition has taken place has to go up to the previous line. Instead of being in line 27, it should be in line 26.

Mr. Speaker: It will be corrected. Now I shall put them.

Shri Sadhan Gupta: Let the amendments be treated as moved.

Mr. Speaker: No.
The question is:

"That clauses 6 to 46, the Schedule, Clause 1, the Title and the Enacting Formula stand part of the Bill."

The motion was adopted.

"Clauses 6 to 46, the Schedule, Clause 1, the Title and the Enacting Formula were added to the Bill."

Shri Sadhan Gupta: On a point of order. There are certain amendments. Let them be formally moved, and they can be put to the vote, whatever happens to them

Mr. Speaker: The practice is that whatever amendments were being considered before that time, those amendments will be put to the vote separately. All others which have not been moved will not be moved. That is the practice

Shri Nagi Reddy: At least those which we want to press for division can be voted separately,

Mr. Speaker: No. The time is over. Whatever practice was there will be continued.

Shri T. T. Krishnamachari: Sir, I beg to move:

"That the Bill, as amended, be passed".

Mr. Speaker: The question is:

"That the Bill, as amended, be passed".

The motion was adopted.

PURCHASE OF TENTS FOR DIS- PLACED PERSONS' CAMPS

Shri A. C. Guha (Barasat): Mr. Speaker, this is about a reply given to a question of mine regarding the purchase of tents and the number of tents used in the refugee camps. I find that up till now during the last five years about 2 lakhs of tents were purchased up to 1955, and 99,000 tents have been purchased in 1956, and the total amount paid for them would be a huge sum. There is no total given, but in 1955 they purchased tents worth Rs. 1.32 lakhs and worth Rs. 1.35 lakhs in 1956—this is the

biggest amount in any year—, Rs. 79 lakhs in the previous year i.e., 1954 Rs. 31 lakhs and so on. I have also quoted any figure for 1956. In that year also the purchase of tents went up to Rs. 1.35 crores.

17.32 hrs.

[MR. DEPUTY-SPEAKER in the Chair]

If I refer to anything about this matter I think the hon. Minister will again come back to his favourite theme that after all he has to give relief to the refugees and that he has to give them some sort of protection. The name of his Ministry is Rehabilitation Ministry. The question of relief comes only when his Ministry has failed to discharge the work which is basically allotted to it, namely the rehabilitation work. When rehabilitation has been delayed or when it has failed, only then the question of relief comes. It is just an issue which has come out of the failure of that Ministry in discharging its original and basic duty.

The Minister of Rehabilitation and Minority Affairs (Shri Mehr Chand Khanna): Sir, on a point of order. Under rule 55 the Member can ask for elucidation on a matter of fact. Here is a question that was put by him. I have answered that question and given the desired information from parts (a) to (c). May I enquire from him which part he is objecting to and for which complete information has not been given?

Shri A. C. Guha: Sir, I am also allowed to make a small statement

Mr. Deputy-Speaker: These are the facts that have to be considered by the Speaker when he is admitting the half-an-hour discussion. When he has applied his mind and allowed that, perhaps it is not the time now to go over it again and give a decision whether this ought to have been admitted or not. Now we have to take up this discussion for half an hour and Mr. Guha may continue.

Shri Balasaheb Patil (Miraj): There is no quorum.

Mr. Deputy-Speaker: Let the House be counted.

Shri Naushir Bharucha: Let us adjourn.

Mr. Deputy-Speaker: Let us see if we have quorum.

Shri Mehr Chand Khanna: I am not objecting to the ruling given by the Chair in admitting this.

Shri Naushir Bharucha: No proceedings can go on before there is quorum.

Mr. Deputy-Speaker: Let the bell be rung—Now there is quorum. The hon. Minister may raise his point.

Shri Mehr Chand Khanna: I am not objecting to the motion having been admitted. I only wanted to say that the policy of my Ministry, whether it is relief or rehabilitation, is not the question before the House. A certain question has been asked and certain information has been given. Under rule 55(1), if any elucidation is needed on a matter of fact, that can be asked. That was the only point I was submitting before you.

Shri A. C. Guha: I think he is misquoting something.

Mr. Deputy-Speaker: Rule 55(1) does refer to elucidation on a matter of fact. Those are the guiding principles but who is to determine whether certainly it needs elucidation on a matter of fact or not? It is for the Speaker to decide. He has to apply his mind and then alone he can give his permission. Rule 55 (3) says:

"The Speaker shall decide whether the matter is of sufficient public importance to be put down for discussion, and may not admit a notice which, in his opinion, seeks to revise the policy of Government".

This question of revision of policy has also to be considered when permission to admit is given by the Speaker. So when he has applied his mind and admitted the notice, there

is nothing that can now be decided afresh, and we will have to take up the discussion.

Shri A. C. Guha: I would not have raised this question, but yesterday.

Mr. Deputy-Speaker: What the Minister wanted to say and emphasise was that there was nothing to be elucidated. All facts required by the hon. Member in his question had been given completely. The answer was precise and clear and so there was no question of anything more being required. He wants to draw the attention of the hon. Member that he should first say—this is his plea—as to what is there which requires further elucidation.

Shri A. C. Guha: My suggestion is this I know the Minister will surely stress that he has been able to give relief. But my point is that the real purpose of the Ministry is not relief. The money is allotted primarily for rehabilitation. When rehabilitation has failed only then the question of relief comes. So, it is not for the Minister to take much pride about the relief he has been able to give.

Tents come in with the question of relief. Tents are used in refugee camps

Mr. Deputy-Speaker: Cannot the order be reversed; first relief has to be given and then rehabilitation has to come?

Shri A. C. Guha: Previously the idea was to have transit camps only for 6 weeks or months. In 1953, a committee reviewed and reported that some of the refugees are in camp for one year and they expressed dissatisfaction. The Ministers' Committee also expressed dissatisfaction that the refugees should be kept in forced idleness some camp for one year. But, here is a case where the refugees have been kept in camps for 5 or 6 years.

About these tents, I do not understand why these tents have been used when these camps have become more

[Shri A. C. Guha]

or less a permanent feature in the programme of work of this Ministry. First of all, they are more costly in the ultimate analysis because the life of a tent is officially stated to be one year. But really speaking the life is not more than 9 or 10 months. Even according to the official view after one year, the price of the tent which is about Rs. 130 goes a complete waste. If they can put up small huts nearabout that cost, I think they would last much longer and would have been more comfortable for the refugees.

I have seen the refugees living in tents. Tent life is most difficult in all weathers. In summer, it is too hot; in winter it is too cold and in the rains they get completely drenched from above and they also get rain water flowing on the floor. The tent is the least comfortable for the refugees to live in. It is better that they are replaced by some sort of hutments. I think the hon. Minister may decide what he will do about this.

Then, about the purchase of tents. This money is given by the Government of India and there is an agency of the Government of India, the Director General of Supplies. It is the policy that all purchases should be made through this agency. Out of 299,000 tents, we find that only 2,500 were purchased through the DGS. All the rest, about 297,000 were purchased locally. From the replies given it is found that even the local purchases have been made without calling for tenders. I do not think that such huge amounts should have been spent without calling for tenders. Firstly, the agency of the DGS should have been utilised and even if local purchases are made they must be made through calling tenders, and not purchased through any particular person or through their own agencies as given in the reply.

There are so many production centres run in these camps. There are at least 5 or 6 production centres particularly for tents and they have been

spending a few lakhs of rupees if not crores on these. I think the hon. Minister must know the correct figure. I do not know why these tents should not have been produced from these production centres. We find that during these 5 years, only 1500 tents have been produced at these centres. What is the cost of these production centres; what is the expenditure incurred on these production centres all these five years? That is also an information which this House should have.

Yesterday the hon. Minister has said that the names of the worksite camps have been changed.

Shri Mehr Chand Khanna: I never said that.

Shri A. C. Guha: He said that since July there have been no worksite camps.

Mr. Deputy-Speaker: Not that the names have been changed.

Shri A. C. Guha: I should say that is evading a direct reply. I asked him: where have these men gone? He did not reply. The men are there.

Mr. Deputy-Speaker: I remember that a reply was given. Because work could not be found there, they had to be taken to the ordinary camps and they were treated as ordinary displaced persons.

Shri A. C. Guha: That is not true. But am I to understand that they have been removed?

Mr. Deputy-Speaker: It may not have satisfied the hon. Member, but a reply was given.

Shri A. C. Guha: Are we to understand that these 43,000 people have been removed from those sites? I do not think the hon. Minister is in a position to say that. I know; I have personal experience; only they have changed the name. Are they going to effect some changes? By merely changing the name, the hon. Minister will

not be able to change the character of the camp.

About the purchase of tents, he can say something about the new policy of purchase and also whether the tents are going to be gradually replaced by huts and hutments. That should be done and the earlier it is done the better. I do not wish to take much time of the House.

Mr. Deputy-Speaker: He ought to leave some time for others also.

Shrimati Renu Chakravartty: Under rule 55(5) the hon. Member can put a question. No speech is allowed.

Shrimati Renu Chakravartty (Bashirhat): I hope you will permit me to put a few questions. I am glad that this discussion has come up.

As I go through the answer which has been given, I find that in 1956 as many as 96,500 tents had been purchased through the agency of the West Bengal Government. If one calculates one finds that each tent has cost Rs 137. The 2,500 tents which were purchased by the Ministry of Rehabilitation through the D.G.S.D. has cost Rs 123 only. Actually, in this there has been a profiteering of Rs 13 lakhs, if one takes it at the rate which obviously was available to the D.G.S.D. We find there has been a profiteering of Rs 13 lakhs by the agency of the West Bengal Government. What is it that Government means by saying "through their own agency"? This is a very important question, because again and again has come up the question of the corruption of the agencies of the R and R Department in West Bengal and we should like to know the real facts. This is one thing that comes absolutely from the facts which have come over here.

The second thing is this. We are told that the manufacture of the tents has been undertaken by the production centres in West Bengal. I heard from Mr. Guha that there are five centres that are producing these tents. I do not know where they are. But I would like to know whether any

attempt has been made by the Rehabilitation Ministry to ask the refugees to set up production centres assuring them that Government would buy the tents which they produce. If this has been done, what has been the response? Or only a few centres which Government have thought fit to entrust these orders have produced these 1,500 tents?

Shri A. C. Guha: In five years.

Shrimati Renu Chakravartty: This is a time when refugees are wanting to find some means of rehabilitation, and there is a ready market for these tents. Has any call been made to get all sections of people to start the manufacture of these tents?

The third question I would like to put.

Mr. Deputy-Speaker: The rule says an hon. Member can put a question but I have allowed more.

Shrimati Renu Chakravartty: We have asked more than one question.

Mr. Deputy-Speaker: May I read the rule? Rule 55(5) reads:

"There shall be no formal motion before the House nor voting. The member who has given notice may make a short statement and the Minister concerned shall reply shortly. Any member who has previously intimated to the Speaker may be permitted to ask a question for the purpose of further elucidating any matter of fact:—"

Shrimati Renu Chakravartty: I will not ask any more questions, I think it will be rather embarrassing for the Minister.

Shri Harish Chandra Mathur (Pali): May I know how purchases are divided between the Central Government and the State Governments, and why is it that the purchases are only to the extent of 2 per cent through the D.G.S. & D?

Shri Mehr Chand Khanna: Sir, all the information that was required has

[Shri Mehr Chand Khanna]

been given in answer to the question and I would ask Shri Guha who has raised this debate to point out on what part of the question proper information has not been supplied. Anyhow, I have made it clear in my reply that in the years 1952, 1953, 1954, 1955 and 1956 tents have been purchased by the Government of West Bengal. One thing I want to make absolutely clear and that is, that all the tents that have been purchased have been purchased through open tenders. There is no such thing as negotiation, and I am sorry to say that the Member opposite has charged the Government of West Bengal with corruption.

Shrimati Renu Chakravartty: I should like to know why the lowest tender was not accepted.

Shri Mehr Chand Khanna: I would like to pay a very high tribute to the Government of West Bengal. It is not remembered that during these years there has been a very heavy exodus from East Pakistan. During the year 1954 the average was about 10,000, in 1955 it was 20,000 and in 1956 it was 26,500, so much so that in some particular months like February, 1956, 50,593 persons came out of East Pakistan into the eastern zone; in March 55,381 came out, in August 43,000....

Shrimati Renu Chakravartty: And in October, November and December?

Shri Mehr Chand Khanna: If the hon. Member will bear with me for two minutes I will give all the figures I was listening to her questions, and if she does not want me to reply to her questions that is not very fair to me.

Well, Sir, you have to take into consideration the situation prevailing in West Bengal. You have normal remedies for normal situations. The situation has been throughout abnormal in the State of West Bengal in the last three years.

Shri Bimal Ghose (Barrackpore): It is normally abnormal.

Shri Mehr Chand Khanna: When you do not know the number of persons who are coming we depend upon the mercy of Pakistan. When you place an order with the D.G.S. & D. certain formalities have to be gone into. We have to tell them that we will need so many tents during the year. That has not been possible. But the authority is vested in the Government of West Bengal for a number of years now to meet this abnormal situation. They had the power and the authority given to them by the Government of India to purchase tents by open tenders. That has been done.

Now that things are becoming a little more normal we have now taken to the normal procedure. The exodus has gone down very appreciably. We have already purchased 15,000 tents during this year from the DGS & D and an order for another 15,000 tents has also been placed.

Then I come back to the work centres and production centres. We have a number of production centres. It is not only that we are producing tents in these production centres, a number of other articles are produced which are required and for which raw material is available. There is demand for such articles. But, as far as these tents are concerned, we have to take into consideration that there is one thing very important. Unless we have water-proof canvass and skilled labour in the production centre these tents cannot be manufactured. We tried to get good water-proof canvass and we failed. Last year we have produced some tents in our production centres and the number is gradually going up. The situation was very grave, vis-a-vis exodus from East Pakistan. The only thing that we could do than was—and to which my friend Shri A. C. Guha is taking very serious objection—this. I should have gone to the agents of the DGS&D—and placed an order, and when these unfortunate people had come from East Pakistan,

I should have denied them shelter. That was the only option left open to me—to go to the normal agency and take a long time, and with those people coming, not in hundreds but in thousands—.

Shri Bimal Ghose:—which was known.

Shri Mehr Chand Khanna: It was known to you presumably. I do not know about it.

Shrimati Renu Chakravartty: It was not new. It was there since the last two years.

Shri Mehr Chand Khanna: It may have been known to Shri Bimal Ghose, but it certainly was not known to me, namely, the details as to the number coming from East Pakistan next month. It was not known to me. It was not known to the Government of West Bengal. But my own feeling in the matter is this. I admire the West Bengal Government for one thing. It is for this. The administration of the relief department there has been kept up to a particular level and the admini-

nistration did not break down. They have done extremely well and I can assure the House that, now that normal conditions are prevailing, we are reverting gradually to the normal procedure and the purchase of the tents through the DGS&D as well as through the production centre will be followed.

But I want to submit one thing. I cannot give a categorical assurance to the House that no tents shall be purchased in the open market, through open tenders by the Government of West Bengal, because, if unfortunately the situation again deteriorates tomorrow we have to do that.

Shri Bimal Ghose: The situation is the same. They are not allowed to come.

Mr. Deputy-Speaker: The House now stands adjourned to meet again at 11-0 A.M. tomorrow.

17.57 hrs.

The Lok Sabha then adjourned till Eleven of the Clock on Friday, the 30th August, 1957.

DAILY DIGEST

[Thursday, 29th August, 1957]

		COLUMNS	S. Q. No.	Subject	COLUMNS
ORAL ANSWERS TO QUESTIONS—		10585—10621	1293	Co-operative Sugar Factories	10623
S. Q. No.	Subject		1297	Railway Sleepers	10623
1280	Class IV Railway Employees	10585—88	1300	Jhumia Rehabilitation	10624
1281	Supply of Manure to Cultivators	10588—90	1301	Ticketless Travelling	10624
1283	Bhutanese Students' Training	10590—91	1307	Export of Guwar	10625
1285	Central Godowns	10591—93	1309	Claims Prevention Organisation	10625—26
1286	Railway Service Commission, Calcutta	10593—96	1310	Eastern Railway Press	10626
1287	Auxiliary Midwives	10597	1311	Tungabhadra High Level Canal Scheme	10626—27
1288	Air Services to Tripura	10597—98	1312	Vamsadhara Project	10627
1289	Central Flood Control Board	10599—10601	1313	New Level Crossings	10627—28
1290	Electricity for Life Irrigation	10601—04	1314	Cranes at Calcutta Port	10628—29
1292	Loan from U.S.A.	10604—07	1315	Chemical Fertilisers	10629
1294	Central Health Services	106070—08	1316	Survey of Tourism	10629
1295	D.T.S. Fare	10609	1317	Food Situation in Bihar	10630
1308	D.T.S. Buses	10609—11	1318	Railway Fares and Freights	10630—31
1296	Inter-State Water Dispute Act, 1956	10611	1319	Wheat from U.S.A.	10632
1298	Detention of Train at Patna	10611—15	1319-A	Explosion at Asansol Transshipment Yard	10632—33
1299	Sansar Tourist Resort	10615—17	1320	Calcutta Port	10633
1302	Hotel Training School	10617—18	1321	Seizure of Foodgrain Stocks	10634
1303	Ex-Saurashtra Railway Corruption Case	10618—19	1322	State Tourist Advisory Committee	10634—35
1304	Volunteers for Postal Services	10619—20	1323	Rice Situation in Orissa	10635
1305	Piece-Rate Wage System in Dockyards	10620—21	1324	Food Situation in Manipur	10635—36
WRITTEN ANSWERS TO QUESTIONS		10621—64	U.S Q. No.		
1282	F.A.O. Report on Dairying	10621—22	992	Underground Road below Railway Track at Anantapur	10636—37
1284	Milk Powder Factories	10622	993	Import of Rail Bridge Materials	10637
1291	Nandikonda Project	10622	994	Passenger Amenities	10637—38
			995	Import of Foodgrains	10638
			996	Wheat Seeds	10639

WRITTEN ANSWERS—contd		
U.S.Q. No.	Subject	COLUMNS
997	Auxiliary Medical Workers	10639
998	Export of Cattle	10639—40
999	Slum Advisory Committee, Delhi	10640—41
1000	Recruitment of Class IV Railway Staff	10641—42
1001	C.P.W.D. Roads in Orissa	10642—43
1002	Food Production	10643—44
1003	Bridge near Naya Nagar Station	10644—45
1004	Passenger Shed at Tarasrai Railway Station	10645
1005	Import of Wheat and Rice	10646
1006	De-Luxe Train between Calcutta and Madras	10646
1007	Groundnuts and Groundnuts Oil	10646
1008	Dickens Formula	10647
1009	Derailement of Train at Phephna Station	10647—48
1010	Railway Quarters and Workers on Western Railway	10648
1011	Railwaymen at Sealdah Division	10648
1012	All India Institute of Medical Sciences, New Delhi	10649
1013	Ammonia Sulphate	10649
1014	Railway School at Rayagada	10649—50
1015	Hindi in Indian Railways	10650
1016	Hindi at Railway Stations	10650—51
1017	Overtime Allowance for Railway Staff	10651
1018	Central Co-operative Land Mortgage Bank Trivandrum	10651—52
1019	Riverine Soil Erosion in Andhra Pradesh	10652
1020	Post Office Building at Tanakpur	10652—53
1021	Technical Personnel of River Valley Projects	10653

U.S.Q. No.	Subject	COLUMNS
1022	Calcutta Port	10653—54
1023	Co-operative Societies in Tripura	10654
1024	Lift Irrigation Schemes	10654—55
1025	Indian Airlines Corporation	10655
1026	Himachal Pradesh Transport Authority	10656—58
1027	Shajapur Post Office	10657
1028	Erosion near kular Bazar of Tripura	10657—58
1029	Hospital at Kamalpur (Tripura)	10658
1030	Postal Divisions in Assam	10658—59
1031	Mampur State Transport	10659
1032	Commercial Clerks and Commercial Inspectors	10659—60
1033	Railway Accidents	10660—61
1035	Post Office in Amariya	10661—62
1036	Kangsabati River Project	10662
1037	Tungabhadra Project Staff	10662
1038	Railway Watch and Ward Staff	10663
1039	Motor Accidents	10663—64
1040	Himachal Pradesh Transport Authority	10664

MOTION FOR ADJOURNMENT

The Speaker withheld his consent to the moving of an adjournment motion given notice of by Shrimati Renu Chakravarty regarding the situation alleged to have arisen from draught in the district of 24 Parganas in West Bengal.

PAPER LAID ON THE TABLE

A copy of the Notification No. S.R.O. 2515-R/Amrdr/XVII, dated the 3rd August, 1957, making certain amendments to the Displaced Persons (Compensation and Rehabilitation) Rules, 1955 was laid on the Table

BILL PASSED

10670—10811

Further discussion on the motion to consider the Wealth tax Bill, 1957, as reported by the Select Committee continued

The motion for consideration was adopted and clause-by-clause consideration was taken up

Clauses 2, 3, 6 to 46 and the Schedule were adopted

Clauses 4 and 5 were adopted as amended

On three amendments moved by Shri Prabhat Kar to Clause 5 which were put to vote together, the House divided—Ayes 37, Noes 128 The amendments were accordingly negatived

Clause 1, the Enacting Formula and the Long Title were also adopted The Bill was passed as amended

HALF-AN-HOUR DISCUSSION

10811—22

Shri A. C. Guha raised a half-an-hour discussion on point arising out of the statement laid on the Table on the 6th August, 1957, in fulfilment of an assurance given on the 22nd May, 1957 in reply to Unstarred Question No. 136 regarding purchase of tents for the displaced persons' camps

The Minister of Rehabilitation and Minority Affairs (Shri Mehr Chand Khanna) replied to the debate

AGENDA FOR FRIDAY,
30TH AUGUST, 1957

Consideration of the Railway
Passenger Fares
Bill and Private Members'
Resolutions